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EUROPE'S BUSINESS NEWSPAPER

Friday August 31 1984

D 8523 B

NEWS SUMMARY

GENERAL

French discuss N. Africa mounts treaty

French president François Mitter-rand paid a surprise visit to Morocco for private talks with King Haspressed opposition to the union, ob-servers believe it might have impor-tant implications for France, believe

is helping to resist Libyan-backed rebels in Chad. Under the treaty, signed this month, aggression against one of the countries constitutes an attack on the other. Page 12

Cameroon air crash

A Cameroon Airlines Boeing 737 caught fire after an explosion on the runway at Douala airport. The state radio contradicted early reports that 100 people had died.

Zaccaro court ruling

John Zaccaro, husband of Democratic vice-presidential nominee Geraldine Ferraro, was removed by a U.S. court as conservator of an 84year old woman's estate because he corrowed \$175,000 from it.

Honecker to decide

East German leader Erich Honeck- \$348.50. Page 28 er will decide shortly on whether to go ahead with his planned visit to West Germany late next month.

Lufthansa detour

The West German airline Lufthansa made its first scheduled flight to East Germany but had to fly via Czechoslovakia for political rea-

Discovery lifts off

The U.S. space shuttle Discovery blasted off on its maiden voyage af- 100 points. Section II ter a seven-minute delay when a private aircraft straved into the restricted zone over the Cape Cana-

Gadaffi's terms

Libyan leader Colonel Gadaffi wants to exchange British detain-ees for Libyan prisoners in Britain, according to four British MPs in the latest official estimates. Tripoli. Page 3

Iranians flee

Two Iranians flew a U.S.-built F-4 Phantom to an Iraqi base and requested asylum. Iran said the incident was part of an Iraqi plot.

Test flight inquiry

U.S. Air Force says it will take two months to determine the cause of the crash of a B-1 bomber on a test flight in California.

Cyprus talks agreed President Kyprianou of Cyprus ac-

cepted a UN proposal for indirect negotiations with the Turkish Cypriots to seek a settlement for the divided islands. Page 2

Nigerian corruption

The wife of the jailed Governor of Imo state, Nigeria, Victoria Mbakwe, was sentenced to 21 years

in prison for corruption Petrol lead accord

West Germany, Switzerland and Austria said they agreed to ensure the widespread availability of leadfree petrol in their countries by 1986.

Memorabilia mania

Sotheby's, London, totalled £207,497 (\$271,182) with 7.5 per cent unsold. A U.S. businessman paid £16,500 for a guitar used by the late John

BUSINESS

No. 29,4 10 Amin

Interim deficit at VW

VOLKSWAGEN, West German motor group, showed a group loss of DM 162m (\$56.44m) in the first half san as Morocco and Libya were set to approve a state of union treaty.

Although France has not expressed opposition to the union, observers believe it might have impor-Page 16

DOLLAR was firmer in London at DM 2,8845 (DM 2,8775), SwFr 2,404 (SwFr 2,39), FFr 8,8535 (FFr 8,83) and Y2412 (Y240,6). On Bank of England figures, its trade-weighted index rose to 136.5 from 136.2. In New York it finished at DM 2.8855, FFr 8.8575, SwFr 2.4015 and

Y241.25. Page 29 STERLING was lower in London at \$1.311, a fall of 45 points. It also weakened to FFr 11.605 (FFr 11.625) and Y316.25 (Y315.5). It was unchanged at SwFr 3.1475 and improved to DM 3.785 (DM 3.7825). Its trade-weighted index was unchanged at 78.2. It closed in New York at \$1.3095. Page 29

GOLD fell \$1.50 on the London bul-lion market to close at \$348.50. It was also lower in Frankfurt and Zurich at \$347.50. In New York the

WALL STREET: The Dow Jones industrial average closed 3.64 down at 1,223.28. Section II

LONDON markets were thrown into late confusion by conflicting signals from striking dockers, but brighter after-hours trading pushed the FT Industrial Ordinary share index up 2.7 to close at 852.5. Sec-

TOKYO: The Nikkei Dow market average edged 6.38 up to 10,586.27 making an eight-day rise of over

ALUMINIUM cash prices fell on the London Metal Exchange to close at £845, the lowest level since March last year, in spite of news of further production cuts in the U.S. Page 28

BRITAIN'S visible trade balance deteriorated by £3.1bn (\$4.1bn) compared with 1982, according to

U.S. MONEY SUPPLY: M1 rose \$1.7bn to \$547.9bn in the week to

vestor group, offered about \$1.1bn in cash for the insurance and motels interests of City Investing, the diversified New York-based group. Last week City Investing agreed to sell its air-condition subsidiary and two large printing units, ending speculation that it would agree to one of two rival offers – worth about \$2.4bn - for the entire group.

AVON PRODUCTS, the U.S. cosmetics group, agreed to sell its ex-clusive Tiffany jewellery unit to Tiffany managers for \$135.5m. The company, bought by Avon in 1979, will return to private status.

ELECTROLUX of Sweden lifted net profits by 57 per cent to SKr 1.23bn (\$148.2m) after an extensive restructuring. Page 16

BAe DYNAMICS: The value of the contract it won for a satellite transfer vehicle is \$1m and not \$1bn as stated in yesterday's paper. Page 16

NATIONAL BANK of Canada boosted third-quarter profits to CS31.9m (\$24.5m) compared with C\$20.9m in the same period last

Production difficulties in London may have resulted in typographical errors in unit trusts, some advertisements and elsewhere in today's edition.

ITT sells baking unit for \$475m to Ralston Purina

BY DAVID BLACKWELL AND PAUL TAYLOR IN NEW YORK

the world's largest producer of dry dog and cat foods and commercial livestock feeds. Ralston is also a leading U.S. soyabean processor. IIT Continental Baking reported sales of \$1.5bn last year, giving earnings of some \$41m. It has 51 bakeries, producing a variety of breads - including Home Pride and cakes, including the Hostess

The transaction is subject to a formal agreement, the approval of the ITT and Raiston Purina boards, and government review in accordance with the Hart-Scott-Rodino anti-trust acts.

Mr Rand V. Araskog, chairman and chief executive of ITT, said: We view this as a constructive move for ITT. We have been engaged in an extensive programme of asset redeployment and debt reduction for more than five years and this programme continues." Mr William Stiritz, chairman and chief executive of Ralston Purina, said his company viewed its acqui-sition as "a solid organisation." He

with Ralston Purina more than a kog, particularly after the conglomyear ago, and negotiations were re- erate's disappointing second-quar-cently reopened. About three weeks ter results, which mainly reflected ago the Federal Trade Commission continuing problems at its Hartford handed down a unanimous ruling insurance unit.
that cleared ITT and Continental ITT's second Baking of charges of monopolistic practices in the sale of bread.

management team. Over the past downward spiral. few years the company's bakeries Continental Baking was acquired have been modernised, and new in 1968 for \$279m in stock as part of

Baking to maintain its traditional man. strength in the white bread and Since then, the company has acinto the growing markets for variety breads and cakes.

added, "We believe Continental's recting ITT operations. After the di- programme in order to reduce debt. strong position in the bakers industry, combined with our experience in the grocery products business, of-

ITT, the diversified U.S. group, is to sell its ITT Continental Baking for S475m in cash to Ralston Purina, previous comments from Mr Aras-

ITT's second-quarter earnings plunged by almost 50 per cent to \$78.3m and in July the group Ralston Purina has stated its in-tention to maintain Continental 67 cents a share to 25 cents a share, Baking's existing structure and sending its stock prices into a

state-of-the-art bakeries have been a massive acquisition programme undertaken by Mr Harold Geneen. That has allowed Continental ITT's former, controversial chair

cake markets and to expand rapidly tively promoted Continental, in part because, as Mr Araskog has suggested in the past, it gave ITT a con-The company has 23,000 employ- sumer presence, which it otherwise

ees, and sells to 250,000 retail out-might have lacked. owever, the sale of Continental The baking company is at present is likely to be viewed positively on part of ITT Natural Resources and Wall Street, where analysts have Food Products Corporation, one of long argued that FTT should accelthe four management companies di- erate its already huge divestiture

ITT said yesterday that it ex-

U.S. threat to accord on subsidised credits

BY CHRISTIAN TYLER, TRADE EDITOR, IN LONDON

THE U.S. Administration is coming undercut each other in helping their exporters to win business with subsidised credit in the developing report is due on September 15.

the U.S. Export-Import Bank, U.S. exporters and some Administration officials are fast losing patience with alleged violations of the socalled Consensus by other member countries of the Organisation for Economic Co-operation and Devel-

They want to retaliste by asking loan cost to the buyer. Congress to approve a fund of up to \$8bn that would be used to make soft loans on extended terms in order to defend U.S. exporters against predatory financing by competitors.

According to Mr John Bohn, vicechairman of Eximbank, the OECD

subsidy war might brea
which the U.S. and Jap
probably emerge victors.

meeting of the Consensus parties pulling out.

The argument is being fought out of the OECD. The U.S. had been exmerce and the Eximbank. Its final agreed the threat was "realistic, meeting is next Thursday and its report is due on September 15. Mr Bohn said that unless the matters.

OECD could demonstrate that it was ready to enforce the rules and to put a stop to the proliferation of mixed-credit deals, the U.S. was "ready to go it alone." Mixed credits, pioneered by the French and Japanese, are financial arrangements combining aid with loans that considerably reduce the overall

If the threat were carried out, the Consensus would almost certainly collapse and an expensive export subsidy war might break out in which the U.S. and Japan would

on September 17 is seen as a make-or-break session that will deter-mine whether the U.S. considers might be contemplating a show-dling amount of project business down at the September 17 meeting overseas.

under strong domestic pressure to pull out of the gentlemen's agreement between rich nations not to Department, Department of Company, State to the meeting as a form of property and other in believed.

The v U.S. had set a much longer timetable for achieving its desired reforms of the Consensus, and that threats of a showdown should be

In Washington, however, a veteran observer of U.S. export credit policy said the threat should be taken seriously. The atmosphere was similar to that 10 years ago when the U.S. last challenged its trade competitors, he said.

The pressure in Washington is due to a combination of a large trade deficit, what Mr Bohn called the "dismal export performance" of Officials in London and Paris the U.S., the fact that U.S. exporters

Barry Riley examines a Danish biotechnology setback

How Novo swiftly lost its allure

past six years that the clumsy han-dling of publication of the Danish From its base on the out biotechnology group's half-year re-sults last week seemed right out of by attacked the world market in its biotechnology group's half-year re-

Disclosure of unexpectedly poor pre-tax profits, which rose only to id, but profits growth has been DKr 441m (542.2m) from DKr 439m more remarkable still, with the prein the first half of 1983, sent the share price tumbling. In New York, for example, the price of Novo's American depositary receipts (ADRs) dropped \$9% last Thursday to \$37%, only about half the high point of nearly a year earlier.

At current prices, much of the highest properties, much of the highest properties are not sales climbing from 9.5 per cent in 1979 to some 28 per cent in 1983.

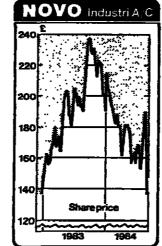
Insulin now represents about two fifths of the company's overall turnover, and it has built up its world market share to over 35 per cent. Enzymes account for half the sales total and Novo claims just over half Danish manufacturer of insulin and enzymes. Yet it remains a highly successful company, with sales

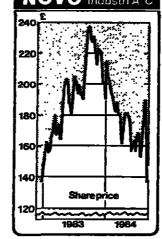
NOVO INDUSTRI has cultivated climbing 12 per cent in the first six the securities markets of Europe months, and a promise that the and America so skilfully during the profits performance will improve in

From its base on the outskirts of narrow, specialised range of products. Sales expansion has been raptax return on sales climbing from

at current prices, much of the biotechnology glamour has been stripped from the rating of this Danish manufactures of in-In recent years the company has derived strong growth from the

Continued on Page 12





of Creusot Loire will lead to big cuts By David Housego CREUSOT-LOIRE, France's larges

Takeover

heavy engineering concern, which filed for bankruptcy two months ago, is to be taken over by an industrial and banking consortium. Its size will be slimmed down drastical ly, however, and there will be heavy cuts in the workforce.

An agreement between the Government, banks and shareholders was finally reached yesterday, although the details have still to be announced officially. The consor-tium led by Fives-Lille, the holding group for the heavy equipment manufacturer, Fives-Cail Babcock. and Framatome, the nuclear engineering company, will outline their plans to the Paris commercial court

on Monday.

Under the agreement, the newly reconstituted Creusot-Loire will have a workforce of about 5,000 and a turnover of FFr 3bn (5339m) compared with the 12,000 the parent company employed in 1983 on the basis of a turnover of FFr 6.2bn. Including its subsidiaries, the former Creusot-Loire group employed 23,000 people, but most of the subsidiaries are now to be spun off

if takers can be found. The company's activities will now centre on its energy, armaments and metal fabrication divisions concentrated at Le Creusot, in Burgundy, central France. The workforce at Le Creusot, a town that has always depended on the company, is to be reduced by 2,500, however.

The Communist-led CGT union has made clear its opposition to the cuts, but with the current dispute at Citroën, the private car manufac-turer, the conflict at Creusot-Loire will be the first prominent test of how vigorously the Communists intend to fight the Government over its industrial policy.

The surgery to Creusot-Loire ap-

pears far more drastic than that incompany and still chairman of the Schneider engineering group, who Tom King, the Employment Secrewas bitterly attacked by M Laurent tary, said: "It is the Government's former role as Minister of Industry.

cy. The new industrial plan reflects, however, the priority the Govern-that the dockers' votes yesterday

Fate of strike hinges on London docks

BY OUR LABOUR STAFF IN LONDON

THE CHANCE of the UK's weekold national dock strike crumbling depends today on how many dockers at Tilbury, London - Britain's biggest port - will defy picket lines and return to work. A mass meeting of about 2,000 of the dockers ended yesterday in confusion.

Officials of the Transport and General Workers' Union (TGWU), which called the strike, claimed that the men had voted by two to one to support it. The Port of London Authority and Mr Medlock Bibby, leader of the dockers who want to work, bothy contested that.

Both sides agreed that there would be heavy picketing today. The authority claimed last night that "a number of men" had already reported for duty. Mr John Black, the authority's chief executive, said there was "a massive majority"

wanting to work. The TGWU was dealt a blow yesterday when dockers at Grimsby and Immingham, Humberside, voted overwhelmingly to return to work. The port, Britain's third biggest in terms of tonnage, was the trigger for the 11-day national dock strike in July.

Men at the leading container ports of Dover and Felixstowe, which are not part of the national docks labour scheme, will meet today and are expected to decide to stay at work.

Last night, ports that normally handle 37 per cent of Britain's nor fuel trade were strikebound - a fall from 40 per cent on Wednesday. A substantial return to work at Tilbury would reduce that further. Ports on strike include all 12 Scottish ports in the national

scheme of registered dockers, with Liverpool, Hull, Cardiff and Bristol. Passenger ferries have not been af-fected. Segior Government Ministers met at 10 Downing Street yesterday tended by M Didier Pineau-Valen-to discuss contingency plans for cienne, the former chairman of the caused by the docks dispute. Mr

Fabius, the French Premier, in his responsibility to keep these matters under review." Mrs Margaret It is also likely to prove more Thatcher, the Prime Minister, on costly to the Government and Wednesday cancelled a planned trip banks in terms of redundancy pay- to the Far East next month because ments and debt write-offs after of the two big industrial disputes, in Creusot-Loire's filing for bankrupt- the docks and the coalfields. the docks and the coalfields.
Ministers emphasised last night

ment is now giving to restructuring over employment considerations.

were further evidence that many of the men did not want to become in-Under yesterday's agreement, volved in action primarily intended Fives-Lille and Framatome will to support the striking miners. The each have 25 per cent of the shares dispute began when British Steel Continued on Page 12 used its own labour to unload a coal

British mineworkers' leaders ennounced plans for a mass icket of every pit, coking plant and workshop on Monday. Mr Ian MacGregor, National Coal Board chairman, said the scheme showed the union's mounting worry about the return-to-work movement in the coalfields. Page 5

ship which dockers had refused to handle.

Opposition Labour leaders said they intended to make a formal request for the recall of Parliament. They claimed that the Prime Minister's cancellation of her Far East trip was an acknowledgement of the seriousness of the industrial sit-

นมน่อก. Mr Roy Hattersley, the Labour deputy leader, argued that Mrs Thatcher's decision to remain in the UK throughout September showed that no early end of the industrial crisis was in sight. He suggested that she was positively planning for "a long, hard winter."

The TGWU has denied that the dispute is a political strike, and has said it is about British Steel's use of alleged strike-breaking labour. However, Mr John Connolly, the union's national docks secretary, conceded that the dispute had arisen from the Scottish dockers' deci-

sion to support the miners.

The Tilbury meeting yesterday was typical of the confusion caused by the ambiguity over the strike's purposes. Mr Bibby, the moderate dockers' leader, said: "The men said: We do not want to be on strike. We want to work for our families, our homes and our children - and we do not want to support Scargill" (the president of the Na-tional Union of Mineworkers).

According to the Port of London Authority and some moderate dockers, two votes were taken. The first vote, according to the authority, showed a large majority wanting to work, and many men then left the meeting. There was then a second vote on whether members supported the TGWU executive policy, which was carried. "It was read by some as an indication to continue the strike," said Mr Black of the

TGWU officials denied that there had been two votes. Mr Connolly said that the rebels had got the vote they asked for and "they should live

Unions on edge of a slope; Editorial comment, Page 10

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Mexico: reaping the reward of austerity
Business law: two ways tresolve disputes
Technology: Japan prepare for home revolution
Management: Mersey dock back from the brink

is 4	British unions: on the edge of an icy slope 10
Ю 6	Saudi Arabia: delays that hurt contractors
s 7	Lombard: the Japanese and their neighbours 11
	Lex: Lasmo and oil licences; Fleet; Ladbroke 12
5. 0	Malaysia: Survey Section III

By Paul Betts in Paris

INCOME tax is likely to be France, as part of the Government's aim to reduce the overall fiscal burden on the population by I per cent of

gross domestic product. The cut in the total burden of taxes and social security levies is to be evenly divided between the personal and corporate sections.

The Socialist Government had already announced earlier reduction in the so-called professional tax paid by French companies a nd the 1 per cent special levy to help finance the social security system which is now in surplus. President Francois Mitter-

rand has repeatedly promised

this year to reduce the tax burden in France despite the

fact that this will mean either cutting cutting back public spending further or finding other sources of revenues to compensate
The proposal to cut income

taxes by 5 per cent appears to be a compromise in order to share the reduction across the board of tax-payers.

French plan to aid new business

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government yesterday announced details of a financial scheme intended to help those seeking to set up in business on their own.

The measures complement

those announced on Wednesday by Mme Edith Cresson, the Minister for Industrial Redeployment and Trade, aimed at accelerating the procedures "taste for the creation of small initiative."

to benefit doctors and lawyers buy a house. It gives them can subsequently draw will de-wishing to establish their own access to cheap long-term loans pend on what they have saved, practices as well as artisans wanting to buy their own workshops.

of Economy, is intended also society for people wishing to loan on which entrepreneurs ments foregone.

access to cheap long-term loans pend on what they have saved, after an initial period of low-remunerated savings.

as in building society schemes.

But the maximum interest rate

The measure was foreshadowed by M Jacques Delors,
the former Minister of Finance.
M Beregovoy described it as
being aimed at those with a

Fr 5,000 (£430). followed by a

content of borrowers has been had a to borrowers has been had a to borrowers has been the described in the minimum of two years' savings interest payable on their deposits is also variable.

Before granting the new loans to be the minimum initial deposit is also variable.

Before granting the new loans are the minimum of two years' savings to be entitled to low cost loans.

The measure was foreminimum of two years' savings to be entitled to low cost loans.

The minimum initial deposit is before granting the new loans are the minimum of two years' savings to be entitled to low cost loans.

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The minimum of two years' savings to be entitled to low cost loans.

The minimum of two years' savings to be entitled to low cost loans.

The minimum of two years' savings to be entitled to low cost loans. taste for enterprise and further FFr 3,600 each year, the feasibility of the project.

The maximum deposit is FFr They will also seek further
The new savings scheme 200,000. The deposits will earn guarantees. If a loan is refused

Under the scheme, potential for borrowers has been fixed at

businesses in France. But the Business Savings Certificate announced yesterday by M people wishing to set up a please of tax.

The new savings scheme 200.000. The deposits will earn guarantees. If a loan is refused a 4½ per cent interest rate net the entrepreneur can withdraw bis deposit with a bonus to fax.

The size and the length of the make good the interest pay-

Czech economy exceeds growth forecasts

BY OUR BERLIN CORRESPONDENT

THE CZECHOSLOVAK economy picked up momentum in the first half of this year, growing by 3.2 per cent over the same period in 1983, which was slightly better than

Industrial production rose 3.4 per cent compared with a target of 1.9 per cent. Electrical engineering rose 11.3 per cent compared with a planned 10.5 per cent, while mechanical engineering rose 7.1 per cent compared with a target of 6.4 per

No figures were given for produc-tivity, which was planned to rise by The statistical office in Prague not-2.6 per cent this year. Western analysts of the Czechoslovak economy said the small wage increase set for cent. this year appeared to be at odds with the new policy of wage differ-entiation and may have acted against improved efficiency.

Overall, Czechoslovak exports rose 15.3 per cent in the first six months, while imports were up 14.6 Agri per cent. No figures were given on hard currency exports, which were

ed only that hard currency exports of industrial products rose 8.3 per

Production of goods with "high technical economic parameters" made up 13.1 per cent of total output, a indication of the extent to which obsolescent goods are pro-

Agriculture is said to have devel-oped favourably, with all prerequi-sites for a good harvest. Crop pro-

duction was to have expanded by 5.2 per cent this year, while meat production was set to fall by 3.9 per cent. The plan was to reduce lives tock levels to a point where imports of fodder would no longer be neces-

The population's personal income was said to have risen 2.7 per cent in the first six months of the year No figures were given on personal consumption, which was set to in-crease by 1.5 per cent this year in

East Germany's main Communist newspaper, Neues Deutschland, yesterday dis-Divers work on

based on the firm foundation of "socialist interna-tionalism" and "fraternal co-operation."

He stressed that effective co-ordination of trade and economic policies, such as existed between Moscow and East Berlin, embled the Warsaw Pact countries to attempts to exert pressure on

Honecker decision soon on **Bonn visit**

EAST GERMANY'S President, Herr Erich Honecker, is ex-pected to say shortly whether he will make his planned trip to West Germany late next month. It would be the first hy an East German Com-munist party chief and Presi-

Since late July, the Soviet media have repeatedly attacked West Germany as "militarist" and "revanchist." and said Boun simed to "undermine the Socialist system in East Germany." however, with opposition parties in Cyprus at a special meeting

The East German leadership has also been criticised for failing to see the danger of falling under Bonn's poli-tical influence by accepting government-guaranteed loans from it. East European dip-lomats in East Berlin say the harsh Soviet attacks are the main reason Herr Honecker has delayed announcing his

The Bonn Government said yesterday that preparations for the four-day visit were going ahead.

played prominently an interview with Mr Leonid Kostandov, a Soviet Deputy Prime dov, a Soviet Deputy Frime Minister, who praised economic co-operation between Moscow and East Berlin. Mr Kostandev lauded East Germany as "a reliable bastion of peace and socialism" in Europe, and said the "friendship" between the laudent was said the "friendship" between the laudent was said the "grant tween the two states was

resist successfully" Western

their economies.
The interview was seen in
East Berlin as further
evidence of a policy split
within the Soviet leadership on how far to allow East Germany to improve its relationship with West

Kyprianou agrees to UN mediation attempt on Cyprus

BY ANDRIANA JERODIACONOU IN

PRESIDENT Spyros Kyprianou of Cyprus has accepted a UN proposal for indirect negotiations with the Turkish Cypriots to try to reach a settlement for the divided island.

He made his decision known in Athens yesterday at the end of two days of talks with the His reply to Sr Javier Perez de Cuellar, the UN Secretary General, is expected to be made just inside the August 31 deadine. It must first be cleared,

this morning.

Sr Perez de Cuellar has asked the Greek and Turkish Cypriots to accept, in the first instance the procedure he has devised to start the dialogue. Dubbed "proximity talks," they foresee the Secretary General acting as a go-between trying to distil a draft settlement from

leader, agrees - and Turkish venues:



Perez de Cuellar, dialogue.

do so-will be for the three men to gather for an initial round of negotiation. to distil a draft settlement from the proposals submitted separately by each side.

The next step, if Mr Rauf Direktash, the Turkish Cypriot leader. screes — and Turkish Cypriot varies.

Norwegian study calls for sweeping tax changes

Commission report.

Measures intended to stimuemptions taxpayers can claim. Ten importance of deductions

somewhat to a flat rate of 15

FAR-REACHING changes in effect from January 1, 1987. Norway's income-tax system Mr Leif Aune, the chairman, are recommended in a Royal said the aim was to create a Mr Leif Aune, the chairman, simpler and fairer system. It would ensure that "people in Measures intended to sumu-late stock market investment, introduced by the present Con-servative-led coalition, would be abolished as part of a drastic cut in the deductions and ex-emptions targayers are claim

He stressed that the proposals would diminish, however, pecause the Commission also proposes a significant easing of progressive income-tax scales. Social security contributions diminister, said some of the payable on gross income, as changes would increase tax liability. He welcomed the must be seen as a package, a-view was echoed by the opposiproposal to lower progressive per cent for wage-earners, and scales and to bring "zero20 per cent for the selfemployed.

The Commission says most of tion of tax concessions to savers

Hungarian biographies 'a sensation'

BY LESLIE COLITT IN BERLIN

HUNGARY HAS broken with a late Hungarian primate who spent communist tradition of rewriting 15 years in asylum in the U.S. emhistory to conform wholly with ide- bassy in Budapest until 1971. It deology in an unusual series of biogra- scribes him as a man of steely conphies of the country's post-war communist and non-communist politicians, called 'Politicians' Careers.' One Hungarian reviewer called

the book a political "sensation" because it deals with "men of principle, opportunists and intransigents" as well as "criminally power-hungry men and their victims." One of the 21 biographical

sketches in the best-selling book is

August, 1984

viction rather than of flexibility which the "period required."

Another profile deals with Matyas Rakosi, the hated Stalinist leader of Hungary until shortly before the Hungarian uprising in 1956. He was expelled from the party in 1962 and died in disgrace in the Soviet

Several post-war non-communist on Cardinal Joszef Mindszenty, the politicians are treated with consid-

erable sympathy in the book. Hounded out of the country as alleged "imperialist agents," were such men as Ferenc Nagy, a former Prime Minister, Antal Ban, a leading Social Democrat, and Imre Kovacs of the Small landowners Party.

A biography ago appears of the former communist Foreign Minis-ter of Hungary, Laszlo Rajk, who was executed after a show trial in 1949 and posthumously rehabilitated in 1962

every adult Hungarian, does not apmunist movement."

pear in the book. He was chosen as Prime Minister during the ill-fated Hungarian uprising in October 1956 and was handed over to the Soviets

The biographical sketch of the arch-Stalinist, Matyas Rakosi, says that an analysis of his life amounts to a "self-examination" for com-munists. It adds, however, that the 'personality cult" was not a specifcally Hungrian phenomenon but However, one man, Imre Nagy rather the political deformation of whose name is known to virtually a stage in the international com-

> All of these bonds having been placed, this announcement appears for purposes of record only.

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N-cargo wreck ROTTERDAM - Divers worked to

plug a fuel oil leak on the sunken French freighter Mont Louis yesterday as experts prepared to determine if any radioactivity had escaped from its cargo of uranium

The Dutch salvage company Smit International said that when the divers stopped the leak, they would begin boring holes in the hull of the freighter. The ship sank with its radioactive cargo off the Belgian coast last Saturday after being in collision with a ferry.

The holes would let air out of the wreck and settle it firmly on the sea-bottom so that further salvage work on the cargo could take place. After the ship's hold was flooded three experts would test for radi-oactivity, a spokesman for Smit

mendations could take and stock market investors. Vienna urged to let the train take the strain

AUSTRIA'S STATE railways are pressing the Government to put into effect its plan to divert on to trains road traffic in transit across the country.

The plan is intended to help

The Austrian aim is to switch

government subsidies of Sch 25bn (£961m). Herr Ernst Gollner, the director-general, says that the company cannot wait any longer for the Government to put its

year, with operating losses of designed to divert foreign would be savings on fuel, less Sch 5.9bu (£226m) after lorries crossing the country on bureaucratic border procedures, government subsidies of to a pick-a-back rail service. and possibly waiving of road Because of its geographical position between West Germany and Italy and south-east Europe, Austria has some of Europe's

the railways out of the red. half the traffic on to the rail.

The Oesterreichische Bundesbahnen (OBB) had a near The Government unveiled the Sch 31bn (£1.2bn) deficit last Sch 22bn plan in July. It is severally designed to divert foreign would be savings on fuel, less than the railways out of the red. half the traffic on to the rail-providing 800 specially designed low-loading freight wagons. Incentives for lorry companies year, with operating losses of designed to divert foreign would be savings on fuel, less

taxes. The considerable, and the Govern-ment, which is already heaviest in-transit traffic. This struggling to reduce the budget

ns own: a between Graz in southern Austria and Passau and Regensburg in West Germany.

Much of the OBB's losses are the result of what it describes as "social expenditure" payments for pensions and subsidised fares. It wants the Government to take direct responsibility for these

David Barchard on the rise of Islam in increasingly secular daily life

Turkey's quiet religious revival

IN A fashionable bookshop in the heart of Ankara two smartly dressed Turkish women browse through a range of magazines.
Ignoring Vance Packard, the
Bermuda Triangle, and sets of
international best-sellers, in Turkish paperback, they concentrate on illustrated Islamic magazines for children, all of them showing little girls wear-ing head-veils.

Sixty years after Kemal Ataturk, the founder of the Turkish Republic, tried to prise religion and politics apart, the role of Islam in Turkey remains unresolved. The days are over in which the emergence of secular intellectuals gave plausi-bility to the idea that Turkey was evolving steadily towards a Western European model with religion largely relegated to the sidelines. Yet few Turks feel in

danger from a religious revival. The Motherland Party government of Mr Turgut Ozal, probably the most strongly Islamic government the Republic has seen so far, has aroused only limited controversy by restricting the sale of beer, forcing girls at public rallies to wear more conservative clothing, and allowing Islamic banks to be set

When Mr Metin Toker, one of Turkey's best-known commentators, warned recently that "the Turkish Republic is "structure built upon secularism" and issued a pointed warning to the Government, few people took him seriously. Paradoxically both an increasing secularism of daily life and a limited religious revival seem

to be occurring simultaneously.

Most Turks are more impressed by the former. In the big cities, life for the lower classes is moving steadily away from the

near Eastern rural pattern of a generation ago. Beer, Michael Jackson's music, videos, and relaxed cultural and sexual mores make the life of

presence of Islamic militants on generation earlier. the street, bearded men and women in standardized long overcoats and plain silk scarves Religious bookshops until recently have catered for only a

limited minority. Yet Turkish society has never been quite as straightforwardly hoods operating outside the secular as its spokesmen have control of the state. These

The days are over in which the emergence of secularist intellectuals gave plausibility to the idea that Turkey was evolving steadily towards a Western European model with religion relegated largely to the sidelines.

maintained. Islamic sentiment and national identity are closely interwined. All members of minority religions admit in private to feeling uneasy. Mass circulation daily newspapers revel in stories of conversions by Europeans to Islam. Conversion the other way is regarded as taboo.

It was a newspaper campaign which led to the trial and arrest this month of 31 Jebovah's Witnesses, converts from Islam, who believed in spreading their faith. Turkish Left-wingers may admit in private to having no religion. None would ever put "atheist" on his own or his children's identity documents. In this way, Turkey is very dif-ferent from Western societies

and likely to remain so. Since the 1980 coup, Turkey's military have encouraged statesupervised Islamic education. Religious education, previously voluntary, is now compulsory under the constitution. The aim is to find a mild traditionalist antidote to the Marxism which was spreading along with the pop culture before 1980 among

the young working class.

Of the 28 left-wing terrorists the urban young lower class hanged by the military after increasingly like that of their 1980, all but one refused to pray

groups offer the key to the country's right-of-centre politics. In 1980, the military acted to crush such groups as the Suleymancis, a hard-line Islamic brotherhood with its headquarters at Serik near Antalya.
Four years later, this group
has been able to reopen its
Islamic centres.

The ban on Marxists has to some extent left the way open

for sectarians on the religious Right. The Army is less than

happy about this development. Most Islamic activists in Turkey

beiong to underground brother-

Another group, the Nurcus, has successfully fought a campaign to have girl students allowed to wear head-dresses. No numbers are known, but the indications are that such bodies are growing,

National newspapers, especially on the Right, now give far more space to religious topics and run religious supplements in Ramadan, the month of

By contrast, the secularist intelligentsia is virtually silent. Mr Toker apart, few people are expressing any concern. One reason could be that the Left feels that any upturn in Islamic activity in Turkish society will, in the last resort, always be curbed by the Army, as such movements have been since 1909 when a right-wing Islamic revolt was scotched by an alliance of officers and intellectuals.

counterparts from Madrid to with an Imam before they died, be that the Islamic colouration Rome.

A gesture which would have of society helps distance Turkey further from the West and so tacity pleases the country's intellectuals who, whatever their personal life-styles, are mostly strongly anti-Western in sentiment.

Some even regard the appearance of Islamic militant women on the streets as a kind of emancipation. "These women can go out today, if they dress like this; they would have had to stay at home 10 years ago," says one journalist.

An equally important factor may be the deliberate revival of the Islamic clergy. All small towns now have their own "Imam and Hatip" schools training Islamic student. Islamic education, suppressed totally in Ataturk's day, has increased five-fold in the past eight years and nearly one in ten of all Turkish secondary students is in full-time Islamic

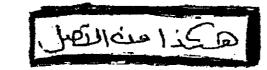
education. Government officials the tolerance end modernity of Turkish Islam. "Not even the most religious people in this country would want to introduce the Sheri'a (Islamic holy law)" says a senior official in the Prime Minister's office. "Turkey is the most genuinely and deeply religious of Islamic countries because no one is forced to be religious here."

Yet the country's evolution into a recognisably European society now appears to depend on the outcome of an un-declared bettle between, on the one hand, the beer cellars, video parlours and discos and on the other, the Koran schools with the intellectual defenders of secularism staying firmly of the sidelines.

the last resort, always be curbed by the Army, as such movements have been since 1909 when a right-wing Islamic revolt was scolched by an alliance of officers and intellectuals.

A second consideration could

A second consideration could



Gadaffi 'wants deal' to exchange British TO EXCHANGE BILLS SHEIKH Pierre Gemayel, 78, one of Lebanon's traditional politicians, the father of the Lebanose President and the politicians, the father of the Lebanose President and the most prominent Christian leader, was buried in his home town of Bickfaya yesterday. The late Sheikh Gemayel had leader, was buried in his home town of Bickfaya yesterday. The late Sheikh Gemayel had appointed the 40-year-old physical was buried in his home town of Bickfaya yesterday. The late Sheikh Gemayel had appointed the 40-year-old physical politicians, clergymen, diplomats and ordinary citizens came to succeed him as party leader, but under the party's by-laws, of the past his coffin, laid in an arcaded cellar of bis old stone to pay their last respects to Sheikh Pierre, who had devoted his but under the party's by-laws, likely compared to preserve a Lebanon that the father of the father of the fave resident watching from her summer house. As throngs of a man of destiny, "said a Bick-ray the fave resident watching from her summer house. As throngs of a man of destiny, "said a Bick-ray the fave resident watching from her summer house. As throngs of a man of destiny, "said a Bick-ray the fave resident watching from her summer house. As throngs of a man of destiny, "said a Bick-ray the fave resident watching from her summer house. As throngs of a man of destiny, "said a Bick-ray the fave resident watching from her summer house. As throngs of politicians, the father of the christian right in Lebanon was worrying fave resident watching from her summer house. As throngs of politicians, the father of the fave resident watching from her save resident

Leith, Edinburgh.

Col Gadaffi expressed regret about the killing at St James's Square in April of WPC Yvonne Fletcher, but denied responsi-

rollowing an overnight meeting with the Libyan leader and Dr Arab Peoples, which is being general of the People's General Committee for external affairs (foreign minister). "It was evident that the Colonel wishes to come to an understanding, some agreement on the issue Libyans held on serious charges of the detainers" at R Brown in Britain for Britons detained.

COL MUAMMER GADAFFI question of Mrs Thatcher's

Square in April of WPC Yvonne
Fletcher, but denied responsibility, says that the murder had
been the work of Libyan
counter-revolutionaries, according to Mr Brown. He said also
that the Libyan leader had sent
his condolences to Miss
Fletcher's family.

Mr Brown was speaking,
following an overnight meeting
with the Libyan leader and Dr
Arab Peoples, which is being

soft the detainees," Mr Brown in Britoin for Britons detained by Col Gaddafi.

The left-wing Labour MP described the meeting as "very friendly," and expressed a belief that Col Gadaffi was "very interested" in relations position of the detainees. Six between the UK ad Libya. men are being held in a house For his part Mr Brown told in the Libyan capital and Dr Treuki that there was no another two are in prison.

Libya eases taxes on foreign oil groups

ficantly easing the tax burden—to the extent of \$2.50 per barrel-on foreign oil companies with an equity interest gramme. in oil-producing operations here. After Libya's oil output had

slumped to only 850,000 barrels a day for three weeks of July fiscal terms were adjusted so that the tax paid cost of oil lifted by then was reduced by \$2 per barrel from the begin-ning of August.

In response to complaints by the companies that the concession was insufficient, further changes were made cutting the actual price to be paid by them by 60 cents from August 15 and an aditional 20 cents from the beginning of September.

But the Government would debts to Italy of over \$300m.

LIBYA IS understood to have argue that the adjustment to boosted its oil output by signithe tax structure based on ficantly easing the tax burden posted, or official selling, prices—to the extent of \$2.50 per is not a discount and therefore complies with the Opec pro-

> Nevertheless, purists within Opec would certainly regard a cut in tax paid cost of \$2.80 per barrel as amounting to a dis-count and therefore a breach of the pact. By contrast, Libya is under-

stood to be sticking to official selling prices for oil being shipped as part of barter deals settling payment arrears to contractors and suppliers—but with the exception of crude sold to settle the country's military debt to the Soviet Union.

Barter oil is currently esti-

Petroleum Exporting Coundeal, Agin of Italy is buying test prices and production 40,000 b/d over an eight months Ligyan officials were yester-ay unavailable for comment. period, and to sell it to repay Italian suppliers and con-tractors, thus settling Libyan

Israeli leaders condemn rabbi's 'provocative' acts

Arab parliamentarian's attempt to force his way into an Israeli Arab town led to riots on Wed-

nesday.
Prime Minister Yitzhak
Shamir said: "The Kahane
phenomenon is negative, dangerous and harmful. Ways must

Mr Shamir, speaking to a parliamentary committee last night also accused the Suoreme Court of paying insufficient heed to state security by overturning a ban on Mr Kahane's hoped to persuade U.S. officials to grant American visas to Arabs willing to accept money to leave Israel. But a State Department official said: "We disapprove of Mr Kahane's views."

JERUSALEM—Israeli leaders Kach Party and allowing him and newspapers have almost to run in last month's election.

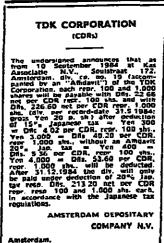
Unanumously condemned Rabbi The ultra-nationalist Tehiya (renaissance) party said Mr. (renaissance) party said Mr Kahane's effort to enter Umm el-Fahm in his drive to have Arabs expelled from Israel was

a needless provocation.

The New York-born rabbi
was to leave last night for a
two-week trip to the U.S., where he hopes to raise money from be found to limit the damage he could cause. He should also not be given such excessive publicity."

Mr. Should country.

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The battle to replace a Lebanese crusader

message of mourning echoing have expressed their impatience through the pine-covered valleys with his bid to appease the

quarters. He was replaced as Forces, an alliance of Christian President by his older and more moderate brother Amin.

Church bells rang slowly in a church bells rang slowly in a church bells range slowly in a church slo

foslem community. Lebanese forces, favouring a March.
The future of the Christian Christian canton with inde. In e right in Lebanon was worrying pendent security and administrative former. Lebanese President everyone in Bakfaya yesterday, trative systems, he dedicated Camille Chamoun, who worked The late Sheikh Gemayel had his life to the preservation of closely with him in the Thousands of mourners may past his coffin, laid in an arcaded cellar of his old stone mountain house, where he had previously received well wishers upon the election of his youngest son, the late president elect Bachir Gemayel.

The absence of the erect, assiduous and deeply religious should be safe for Christians.

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The absence of the erect, assiduous and deeply religious should be safe for Christians.

The Lebanese forces are hoporated their power at the expense of pro-Amin newspaper, and Joseph Al Hashem, the director of Phalange radio.

All three share Sheikh Hoes and Saeb Salem, who often differed with the patriarchal differed with the patriarchal theavy harmonious in the contributions to Lebanon's fight for independence from the French him as a

frontation of a perceived
Moslem threat.
While the 78-year-old leader
was more malleable in his conditions for co-existence with

the rights of the Christian com-Other than Dr Karameh,

the Japanese Government and the Organisation for Economic Co-operation and Development expect to play an increasingly larger rule, in relation to experts, in the overall expansion of the next 18 months, and possibly hevord

beyond. However, this is unlikely to

prevent both the current account and trade surpluses from reaching record levels again this year, in the opinion of both domestic and outside

In eulogising Sheikh Pierre.

veered from an essentially pro-independence from the French Western policy to a working in 1943 and praised him as a alliance with the Syrian regime rallying and moderating force of President Hafez Assad last in moments of crisis.

closely with him in the Lebanese Front, an alliance of Christian leaders, said: "I am

Jurek Martin reports on the contest for the leadership of Japan's ruling party

Nakasone ahead in golf course power broking

in the black by \$3.21bn, down from the \$4.28bn of June. The trade surplus amounted to \$4.12bn, below the \$4.85bn of June, on exports of \$14.84bn and imports of

cratic Party gets down to its real business, deciding how the national political pie should be national political pie should be carved up. It does so on golf courses, in mountain resorts and in discreet restaurants around the country, where politicians who routinely slander each other the rest of the year quietly convene to cut doals.

If the ritual is unvarying, the interest this year is acute because the main subject at band is the party's leadership contest in November. After all the rumours and kite flights, there is now one central issue: whether or not it is possible to deny—by fair means or foul—the incumbent LDP president, Mr Yasuhiro Nakasone, the second two-year term as Prime

second two-year term as Frime
Minister that none of his five
predecessors has enjoyed.

At present, Mr Nakasone is
riding so high that he may be
unseated only by the sort of
subterranean subterfuge that is always the major, perhaps even the sole element of real uncertainty in Japanese politics. His standing now represents no mean transformation from the near disaster that befell him in ast December's general election.

The reasons for his renais-sance fall into two broad categories. The first is that general circumstances have worked to his advantage; the economy is doing well, international relations are, for the moment, relatively trouble free; a lot of legislative business has been accomplished and the cloud area his conservment brought As a result, Libyan oil production has picked up and is now running at more than 1m barrels a day, which is still below its full quota of 1.15m b/d agreed under the Organisation of Petroleum Exporting Counfavours him. In a nutshell, this means that the real political fulcrum, Mr Tanaka, still appears content to stick with Mr Nakasone. Mr Tanaka, how-ever, is mercurial and the ever, is mercurial and the rumour mill was working overtime two weeks ago when he was spotted (on a golf course, naturally) with Mr Kliichi Miyazawa, probably Mr Nakasone's most serious challenger.

The corollary is that none of Mr Nakasone's rivals has made any apparent headway. One of the so-called "new leaders," Mr Noburo Takeshita, the Finance the idea of promoting another interim candidate, one who would serve merely as a caretaker until the "new leaders" fight it out in 1986 and one who might appeal to Mr Tanaka.

This has given birth to the summer's most intriguing rumour (or kite) that the man they have in mind is Mr Susumu Nikaido. This veteran politician has certain credentials; he is

JAPAN AGAIN recorded substantial current account and trade surpluses in July, though in both instances below the all-time peaks achieved in June, the Ministry of Finance reported

yesterday.

However, the long-term capital outflow continued at from the \$6.23bn of June The current account, the broadest measurement of trade and financial flows, was

Komoto, the Economic Planning Agency chief and runner-up in 1982, could have difficulty this time in getting the 50 signatures from Diet members needed to make his candidacy official.

Mr Shintaro Abe, the Foreign Minister, finished third two years ago and may run again, but he has been quoted as saying that the real race will be in 1986. In any case, his mentor, Mr Taken Fukuda. does not

Mr Takeo Fukuda, does not want his future chances jeopardised by taking a thrash-ing this time at Mr Nakasone's

to be worrying Mr Miyazawa's patron, another former Prime Minister, Mr Zenko Suzuki, and

this is whether the possibilities of intrigue come in. Mr Suzuki, normally a gentle soul, has turned against Mr Nakasone; he

feels, not without reason, that Mr Nakasone is far too free with denigrating remarks about his own record in office from 1980-82; hence he encouraged

Mr Miyazawa, who can also afford to wait, to run this year and even tried, apparently without success, to get Mr Tanaka

to support him.
Failing this, Mr Suzuki, Mr Fukuda and maybe even Mr Komoto seem to be toying with

the idea of promoting another interim candidate, one who would serve merely as a care-taker until the "new leaders" fight it out in 1986 and one who

This mean that, for ouce, imports in July, up from the \$9.80bm of June, rose more rapidly than exports, which expanded only slightly from \$14.65bm. \$14.65bm. This may reflect the gradual recovery in Japanese domestic demand, which both

\$10.71 bz.

Minister, has been prevented from running by his mentor, Mr Tanka; another, Mr Toshio Romoto, the Economic Planning unofficial roving ambassador; he Agency chief and runner-up in 1982, could have difficulty this time in getting the 50 signatures the Republican convention. Mr N.kaido's qualifications and possible interest are, however, dim.nished by two factors.
He is on; of the "grey officials" in plicated but never indicted in the Lockheed scandal, and he has become one of Mr. Nakasone's chief cheer-leaders.

stage only if there are four candidates in the field, which there may well not to be this time. In this event, the party elders would seek to find a consensus to present to the Diet members.

Because of his general popularity his backing from Mr Tanaka's incomparable organisation, Mr Nakasone ought to win a preliminary election sation, Mr Nakasone ought to win a preliminary election easily, thus removing any suspense from subsequent deliberations. This week the Nakasone faction pressed for one to be held, willy-nilly. For the same reasons, his opponents prefer the presumably greater fluidity of what goes on behind

way that Mr Nikaido or any other compromise candidate, including Mr Miyazawa or Mr as Mr Tanaka stays with him Mr Nakasone is sitting pretty; and, for all the innuendoes decided in the proverbial smoke-filled room. But to guard against this admittedly men, it does appear that Mr longshot possibility, Mr Nakasone has to play a careful tactiand possible interest are, however, diminished by two factors, the is on: of the "grey officials" in plicated but never indicted in the Lockheed scandal, and he has become one of Mr. Nakasone's chief cheerical may be changed, the LDP first loss a premilinary election of the desirability of something longer than the current two-leaders.

It is apparent that the only Mrs. But it need hold the first ing.

China seeks control over **Hong Kong** air rights

By David Dodwell in Hong Kong NEGOTIATIONS between Britain and China over aviation rights into and out of Hong Kong after 1977 have run into difficulties, according to the Hong Kong-based Far Eastern Economic Review, British Government negotiators confirmed yesterday that discus-sions were proving difficult. The Civil Aviation Authority of China, usually known as

CAAC, which is both China's international airline and its department of civil aviation, is

department of civil aviation, is pressing for complete control of rights to fly into and out of the territory, which would have the effect of making Hong Kong "just another destination in China," the magazine says.

Such a move would seriously damage Cathay Pacific Airways, a subsidiary of Britain's Swire Group, which is, in effect, Hong Kong's flag carrier. It has grown strongly in recent years as the territory has become an increasingly important destination for airlines flying to Asia

increasingly important destina-tion for airlines flying to Asia and across the Pacific.

The difficulty over aviation rights is one of four issues which remain as obstacles to a Sino-British agreement on the future of Hong Kong when it returns to Chinese sovereignty in 1997. The others are the rights of British nationals in Hong Kong, renewal of land leases, and the structure of local government in the terri-tory after 1997. Negotiators are under pressure to initial an agreement within the next four weeks.

agreement within the next four weeks.

The Review notes: "Unless China shows through its policy on aviation that autonomous status for Hong Kong in international commercial affairs is more than words, the credibility of Hong Kong's constitutions. of Hong Kong's separate role in other key international agree-

ments on trade and finance will start to be questioned."

According to the Review, British negotistors in Peking have been pressing in vain for flying rights into the territory to be renegotiated by Hong Kong alone when it becomes Kong alone when it becomes a special administrative region of China after 1997.

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tue Internationale à Luxembourg S.A.

GOVERNMENT OFFICIALS, businessmen and diplomats expressed deep disappointment at the sudden postponement of Mrs Margaret Thatcher's with Kuala Lumpur have The trip to Malaysia was par-ticularly important. Relations with Kuala Lumpur have recovered from the trough they hit after October 1981, when Arab Banking Corporati Daus & Co. GmbH Julius Baer International Limited Banca Commerciale Baliana Banca del Gottardo Datuk Seri Dr Mahathir Mohamad, the Malaysian Prime Minister, imposed his famous "Buy British Last" policy for Banco di Roma BankAmerica Capital Markets Group Bank für Gemeinwirtschaft

government contracts because of unhappiness over various Bank für Gemeinwirtschaft Aktiengesellschaft Bank Gutzwiller, Kurz, Bungener (Overseas) Limited British actions. Bank Lev International Ltd. Bank Mees & Hope NV Bank of Helsinki Limited Bankers Trust International Limited Banque Bruxelles Lambert S.A.

Ironically, it also coincided with outspoken remarks by Dr Mahathir earlier this week accusing Japan of insensitivity in its relationship with Malaysia. Japan's share of Malaysian trade is 25 percent. trip promoting British interests in South-East Asian investment and trade can only benefit them and trade can only benefit them in their efforts to win more business.

Mrs Thatcher herself also knows this. In all the countries knows this way visited, British malaysian trade is 25 per cent, while Britain's is only 4 per cent. companies have been in the —the precise reverse of the forefront of bidders for big position 20 years ago, and an contracts on major develop-imbalance Mrs Thatcher would contracts on major develop-imbalance Mrs Thatcher we ment projects, and the success have been keen to redress.

Muldoon policies criticised

Thatcher tour cancellation

causes upset in S.E. Asia

BY CHRIS SHERWELL, SOUTH-EAST ASIA CORRESPONDENT

BY DAI HAYWARD IN WELLINGTON

South-East Asian visit at such

The British Pirem Minister

was scheduled to visit Malaysia, Singapore. Indonesia and Sri Lanka in the last two weeks of

British businessmen are the first to agree that a flag-waving

a late stage.

other from the Reserve Bank, both severely critical of the mic policies of the previous Conservative government under Sir Robert Muldoon. The Treasury report finds hat monetary, fiscal and

exchange rate policies were "given as hostages" to support a price freeze introduced by the Muldoon Government in an effort to reduce inflation. The report suggests a num-ber of remedies to improve New Zealand's economic position, including floating the New Zealand dollar.

THE New Zealand Government Mr David Lange, the newlyyesterday released two reports, elected Labour Prime Minister, one from the Treasury and the Said the Government would take decisive steps after the economic summit called on September 12 between industrialists, trade unionists and the Administration to discuss the economy. Some steps, such as exchange rate moves, had already been taken, he said. New Zealand faces its "gravest economic crisis ever," he said. Sir Robert said that in three years' time New Zealand's external accounts would come into credit because of the completion of major energy

Commerzbank International S.A. Commerzbank (South East Asia) Ltd. Copenhagen Handelsbank A/S County Bank Limited anstalt-Bankver Crédit Commercial de France Crédit Industriel et Commercial Crédit Lyonnais Credit Suisse First Boston Limited Credito Italiano

Credito Italiano Daiwa Europe Limited Delbrück & Co. Den Danske Bank af 1871 Aktieselskab Den norske Creditbank Destsche Girozentrale DG Bank

Dominion Securities Pitfield Limites Drescher Bank Aktiengesellschaft DSL Bank Deutsche Siedlungs- und Effectenbank-Warburg Aktiengesellschaft Aktiengeselfschaft Enskilda Securities Skandinaviska Enskilda Limited

EuroPartners Securities Corporation Fuji International Finance Limited Genossenschaftliche Zentrafbank AG* Vierna Girozentrale und Bank der österreichischen Spariassen Aktiengesellschaft oldman Sachs International Corp. Hambros Bank Limited Hamburgische Landesbank

Georg Hauck & Sohn Bankiers Kommanditgesellschaft auf Aktien Hessische Landesbank

Hill Samuel & Co. Limited Aktiengesellschaft
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Privatbanken
Rabobank Nederland
N.M. Rothschild & Sons Limited
Salomon Brothers International Limited J. Henry Schroder Wagg & Co. Limited Smith Barney, Harris Upham & Co. Incorporated Société Générale Société Générale de Banque S.A. Sparekassen SDS Sumitomo Finance Internationa Svenska Handelshanken Group

Trinkaus & Burkhardt

PK Christiania Bank (UK) Limited

Union Bank of Switzerland (Securities) Limited Wereins- und Westbank Aldiengesellschaft M.M. Warburg-Brinckmann, Wirtz & Co. Westdeutsche Genossenschafts-Zentralbank eG Westdeutsche Landesbank Girozentrale Westfalenbank Aktiengeselischaft

Wood Gundy Inc. Yamaichi international (Europe) Limited

THE THE TENED OF THE PERSON OF

Reaping the rewards of austerity in Mexico

SR JESUS SILVA HERZOG may the debtors. It's a question of be about to put the banking magazine Euromoney in an embarassing position. Having hosen the Mexican as Finance Ministe of 1983, it may have no choice but to plump for the again this year.

Mexico's realism in confronting its \$90bn (£†9bn) debt problem has this year firmly enthroned it as the darling of the onomic establishment in the industrialised world As a reward Sr Silva Herzog will next week announce that Mexico will pay a margin of only one and ne-eight per cent over eurodollar rates on a huge new rescheduling. The debt covered by the deal could be as high as \$48bn and the arrangement itself will certainly rank as the commercial bank re-

But in an interview Sr Silva Herzog commented that Mexico's own solution to its debt problem is not necessarily one that can be readily transferred to other debtors too.

Looking ahead to the meeting of Latin American debtors in Mar Del Plata, Argentina, next month and to the International donetary Fund meeting later in September, the Minister said the debt problem is still a complex and long-term Issue. "We will need the participation of everybody, not just the banks and

Nationwide strike

quenos Aires.

called in Argentina

announced in a communique.

sented a serious setback to efforts by President Raul

the creditor governments and Although there had been little tangible response from

creditor governments to the first debtors' meeting held in Cartagena Colombia in June, at least industrial leaders "did recognise that there was a prob-lem" at their summit the same month. This was something month. This was something they had not been prepared to do before, he said, Meanwhile

declaration of default on the part of the debtors was still no solution to the problem. Nor could there be a global negotiation between debtors and creditors when the problems faced by individual debtors differ widely from country to

Thore all ways now have to be found to secure a resump-tion of economic growth in the debtor countries. "The slow-down of economic activity is not sustainable, the first priority must be development."

Mexico, he believes, is in many ways a case apart. In

had run out of foreign exchange.

Two years later it is clear that the cost of that austerity has been high—even toothpaste disappeared from the shops at one stage but Mexico was lucky

Now grown has resumed in units less in this cent the debtor countries cannot rely in the debtor countries cannot rely in long the debtor economic planning of the debtor economics. Much as providing the debtor economics and its sister recovery than in the past, and the debtor countries cannot rely in long indefinitely on export-led growth.

In many debtor countries this creditors might wish it that type of control is something, he said, which "we will never accept."



in being able to force it through without any serious political countries that has not been possible. "If you go south the question of foreign debt is written large across the streets. many ways a case apart. In superior in the street in the s

high with prices rising 34.7 per some point demand in the cent in the first seven months of internal

Mexico seems to be a clear-cut reduces the weight of foreign vindication of the orthodox IMF debt in relation to GDP. approach to debt rescheduling and economic adjustment. If said an "adequate" growth rate Mexico can come through the of 5 to 6 per cent should be crisis, there ought to be no reached by 1986-88 which will reason why other countries can-But Mexico has a further

But Mexico has a nurmer unusual advantage, says Sr Silva Herzog, in its cushion of \$16hn in style so that the impact on in annual oil exports. This social welfare is greater, he said. Instead of large-scale netrochemicals

significant reduction in the cost their economies. of money," he said. don't think

Demand for Latin American exports has been propor-tionately less in this U.S. recovery than in the past, and

four nuclear reactors economy must be allowed to revive, not least By Paul Taylor in New York On the basis of these results because higher economic output THE TENNESSEE Valley Anthority (TVA) is abandon-ing four unfinished nuclear reactors and will take a

permit the restoration of improvement in per capita

means that its debt service costs said. Instead of large-scale are relatively low despite the investment in petrochemicals country's high overall foreign special attention will be paid debt. Interest payments con- to agriculture which has lagged sume only 40 to 45 per cent of behind the rest of the economy

Mexico's export revenues. Elsewhere in Latin America the ratio can go as high as an "impossible "130 per cent.

"In general the only way we can find a solution is to have should be given a long-term say longer (debt) maturities and a in how the debtors manage longer (debt) maturities and a in how the debtors manage The monitoring arrangements

that built into the new Mexican economic activity in the industrial world is the only key." to no more in practice than a standard exchange of informa-tion with the IMF, he said. That institution and its sister

OAS body urges flexibility on credits By Mary Helen Spooner in Santiago

Tennessee

abandons

\$2.71bn (£2.1bn) write-off as

a result of the decision.

The power authority said it

would take a 300m write-off this year with the remaining \$1.9hn being written-off over

The TVA move is the latest evidence of the plight of the U.S. energy utilities which have been forced to delay or

abandon an increasing num-ber of nuclear power plants

tions,
The four TVA reactors are

at two nuclear plants under construction, the Hartsville

plant near Nashville, Tennes-see and the Yellew Creek facility near Inka. Mississippi. The decision taken by the TVA board, follows an earlier

who argued that the cost of completing the reactors had risen dramatically while esti-

mates of energy demands had

fallen. Between 1966 and 1975 the

TVA approved construction of 17 nuclear units. Of these eight units have been can-celled after an investment of

the next 11 years.

THE INTER-AMERICAN Economic and Social Council has passed a resolution urging passed a resolution arging international financial organisations such as the World Bank and the International Monetary Fund to show greater flexibility in awarding credits to Latin American and Caribbean nations. The resolution, presented by the U.S., Jamaica, Argentina, Peru, Chile and Colombo, was approved unanimously yester-day in Santiago. The Council is part of the Organisation of American States, which has recently taken increasing interest in the issue of Latin American debt and trade re-

Reagan use of 'pocket veto' illegal, says court

acted illegally last November in using a special constitutional procedure to kill legislation passed by both House of Congress, a U.S. court of appeals has ruled.

The Bill aws intended to extend a requirement that Mr Reagan certify regularly to Congress that the El Salvador Government was making progress on human rights, as a condition of receiving untiber U.S. sid. The relatively obscure procedure invoked by Mr Reagan is known as the 'pocket veto," available to the President only when Congress is not in session.

To exercise the pocket veto," the President simply declines to sign a bill sent to because of spiralling costs, falling projections of future electricity demand and, in some cases, safety considerahim by Congres and does nothing further about it (puts it in his pocket)—on the assumption that there will be nobody on Capitol Hill to receive it if he returns it. When Congress is in session, a vetoed bill must be sent back to give Congress the chance to over-ride the veto by a two-thirds majority of both

PRESIDENT Ronald Reagan Mr Reagan's action argued that the poicet veto is only legal during the period between full Congressional terms, following congressional elections once every two years, and not during confinery recesses like the one ordinary recesses like the one last November, when there are still agents on capitol hill to receive a vetoed bill. The full implications of the 1

court's ruling on the historic tussie between Congress and the Executive were not clear yesterday, as the court still had to publish its full opinion. The Supreme Court, was brought by a group of 33 congressmen who both opposed Mr Reagan's specific dismissal of the El Salvador human rights certification requirements and believed that in general Mr Reagan was trying to thwart the will of the country's elected

The ruling was expected to have no immediate effect on the amount of funds disbursed to amount or rungs disputed to El Salvador because only four weeks remain until the current fiscal year ends on September 30, and the money has already been

Congressional opponents of spent.

Religion may turn into major U.S. election issue

major issue for November's Ms Geraldine Ferraro, the

party's vice presidential nominee, pinpointed the issue in a speech yesterday as a potentially major theme for the Autumn campaign. In Minnesota, Mr Walter Mondale, the presidential contender, made it clear that he planned to make an important statement on the

The Democrats are fully aware that they could be steeply raising the stakes in the contest with President Ronald Reagan by broaching such an emotional subject. American voters tend to have exceedingly strong feelings on the subject, which touches on bitterly dis-puted issues like abortion and

THE DEMOCRATS are now considering whether to take the risky step of raising the relationship between politics and religion—or indeed the whole question of whether there should be such a link—as a major in the property of t than any President in recent history in suggesting that religion, politics and morality were inseparable.

Mr Reagan sharply attacked opponents of a proposed consti-tutional amendment that would permit voluntary prayer in public schools as "intolerant of religion." He said that "religion and politics are necessarily related" and that this "has worked to the benefit of the nation."

In a country in which the constitution goes to great lengths to separate church and highly controversial. Earlier this week, Mr Mondale, also in Dallas, said that "once you let the politicians

U.S. forex turnover continues rapid growth

BY NICHOLAS COLCHESTER

ARGENTINA'S largest labour federation has called for a nationwide general strike on Monday and broke off talks with TURNOVER in the U.S. foreign exchange market has continued to grow rapidly in the early 1980s, but not at the explosive agreement. AP reports from pace recorded between 1977 and 1980. A study by the Federal Reserve Bank of New York shows that U.S. foreign ex-The decision by the General Confederation of Labour was made yesterday at a meeting of change transactions were run-ning at \$33.5bn (£25.6bn) per day in April, 1983, up from £23.4bn in March, 1980. Only three years earlier, trading had been running at just \$5bn a its secretary generals and was The decision followed a meet ing with Sr Juan Mauel Casella, the Labour Minister, and repre-

Alfonsin's government to achieve accord with organised The Fed's study, published in its summer quarterly review, notes that the development of labour on salary policy. Confederation officials said they had clashed with Sr Casella on an agreement, announced a week ago, to set the minimum the markets was driven by con-flicting influences in the early 1980s. On the positive side, financial de-regulation in the week ago, to set the minimum financial de-regulation in the salary for private workers at about \$220 per month.

financial de-regulation in the heightened by the crisis over world debt. In addition, major in the trading of "non-bank changes in foreign exchange

companies.

Their increased activity was aided by another stimulus, the liberalisation of foreign change controls in the UK and Japan in 1979 and 1980, respectively. The resulting greater freedom for international investors to diversify their invest-ments tended to boost the trading of such "non-banks" more than that of banks, whose foreign exchange business is more dependent upon trade-related transactions.

worldwide recession slowed the growth of such trade-related dealing, an effect

financial institutions," including accounting rules made U.S. corsecurities and brokerage houses, porations less inclined to hedge approach to position-taking, against halance-sheet foreign seeking to benefit from their exchange exposure. The result of these negative influences, says the study, was to lead com-mercial banks to alter their approach to foreign exchange

> The study finds that banks have been compelled by considerations of cost, risk and available profit to "question the wisdom of conducting rapid exchange brokers. Some are and the pound sterling.

longer-term exchange rate expectations. At the same time banks have migrated towards more sophisticated foreign ex-change business — foreign exchange futures, foreign currency swaps, and choss-currency

trading (trades not involving the U.S. dollar).

The other notable development in the foreign exchange markets in the early 1980s has 'in-and-out' transactions to benefit from short-term movements in exchange rates."

Banks ere less interested in volume for its own sake. They are less inclined to deal The year's share of U.S. turnover than discoular price of the share of directly with one another, quot-ing two-way prices, and are to 22 per cent in 1983, with the more inclined to use foreign losers being the Canadian dollar

WORLD TRADE NEWS

Unctad report calls | Finance for restructure of international trade

underdeveloped.

BY OUR FOREIGN STAFF

THE annual report of the greater economic interdepend-United Nations Conference on ence, the more volatile Trade and Development currency system and the vari(Unctad) is deeply sceptical of ability of the economic policies the way in which the economic pursued by developed countries, recovery in the industrialised countries, led by the U.S., can be expected to filter through to the developing world.

It blames the critical situation of the developed world in its impact upon the industrial situation of the developed world in its impact upon the interest of the developed world in its impact upon the interest of the developed world in its impact upon the impact up

It blames the critical situation in the developing countries on what it perceives as basic weaknesses in the present system of international trade and finance and it calls for this system, the Unctad report and finance and it calls for this system to be restructed with a renewed emphasis on employment, growth and development.

In presenting the report in the development and fundamental issues."

Among the issues: haw can developed countries take the tion in the developing countries

In presenting the report in Geneva yesterday, Mr Gamini Corea, the secretary general of Unctad, insisted that a set of direct actions were needed "across a whole spectrum of money and finance, trade and developed countries take the needs of the economic system as a whole into account in designing their economic policies? Can the bias of the system against full employment money and finance, trade and development he corrected? direct actions were needed
"across a whole spectrum of
money and finance, trade and
commodities" to re-activate the process of development in the Third World.

Much of the 334-page report distribution of the burden of is a review of the way the trade, exchange rate and financial systems have evolved since the Second World War. It outlines overall cyclical situation in the how trade has become more world economy?"
menaged and manipulated and
less subject to the rules of the sions on such questions are and Trade (Gatt), how the fixed present circumstances in which exchange rate order has given the closely connected problems way to one of volatile floating of development, employment, exchange rates and how official debt, trade and payment flows of finance have been overwhelmed by private flows.

It argues that the developing the Interational Monetary Fund, world has been adversely the Gatt, the World Bank, and affected by the combination of so on.

sought for C. Itoh contract By Our World Trade Staff

C. ITOH, one of Japan's bigges trading houses, is negotiating a \$160m loan from London merchant bankers Morgan Grenfell to help to finance Japanese participation in the construction of a S730m power station in Iraq.

The trading house signed a con-tract in Seoul on Wednesday with the prime contractors for the 1.2m kilowatt power plant, Hyundai, of South Korea. Under the deal Hita-chi is to supply four 300,000 kilowatt boilers. It is not clear whether official Japanese export credit guarantees will be made available.

when the U.S. Exim Bank refused to back it. This business then fell to Britain's NEI, who was awarded a £65m (\$85m) contract in June to supply the boilers. Export credit guarantees for the

should the balance of payments adjustment process be more symmetrical, so that "the British involvement were drawn from a \$275m credit made available for trade with Iraq last year and backed by the Export Credits Guarantee Department. Morgan Grenfell also arranged that credit. It is not yet clear how much of the financing for the power plant, to be built just south of Baghdad, re-

unlikely to be taken under the mains to be finalised. Hyundai it is understood has been able to provide only \$100m in finance for the project, and has had to rely on commercial banks for the remaining \$630m because the Iraseparated institutions such as quis have insisted on all financing being external.

Belgrade plans duty free zones

By Aleksandar Lebi

THE Yugoslav Government is proposing new legislation which should facilitate creation of duty free zones and economic activities within them. Import-ing equipment, intermediates, fuels and other materials for manufacturing, finalising or upgrading goods, would be free in the zones.
The move comes 20 years

UK are to start work in December on the \$170m project.

The deal was announced in Los Angeles by Occidental Petroleum and the Colombian state oil company Ecopetrol,

Of 90,000 barrels a day which after the first legislation was passed in 1963. Seven zones were established in major Adriatic ports and in Belgrade, but because of what is now considered restrictive regulations.

Numbered days for textile trade protection At the same time, the Textile Surveillance Body, a separate

Clothing in the World Economy,

all but concluded that the MFA

was a mistake. Only the terms

publishing—such a conclusion.
It is hardly surprising that

Gatt should be so strongly free-

trade oriented. It was set up in 1947 specifically to promote

freer trade in the world and, after being buffeted by pro-tectionist forces for years, suddenly finds the tide flowing

its way. Both the Gatt minis

terial meeting of 1982, which commissioned the report, and

ALONG the corridors of the Gatt building in Geneva there is a perceptible feeling that the committee set up to monitor the days of the Multi-Fibre Arrangement (MFA), the world agreement, will spend the best part ment (MrA), the world agree ment governing a large part of of a week next month consider-trade in textiles and clothing, ing a report on the MFA, are numbered. The word on everyone's lips is "liberalisa- Clothing in the World Economy, tion,"

There is strong pressure from Third World countries, led by of reference precluded the Hong Kong, for the present report from reaching — and agreement, the third, to be the publishing—such a conclusion.

But within the General Agreement on Tariffs and Trade (Gatt) this is thought to be impracticable.

A more sensible course, it is argued, is for the importing countries to give a firm commitment that MFA 4 would be the Last year the Westinghouse group, once mooted as suppliers of urburbines for the plant, pulled out when the U.S. Exim Bank refused regulations which have been in existence for at least 20 years. In return for such an under-taking, Gatt would like to see a longer agreement than the present MFA, which began on January 1 1982, and will expire at the end of July 1986. Gatt

is unofficially looking for an end to the MFA around 1993 or A top-level committee, the Working Party on Textiles and Clothing, has already held two meetings under the chairman-

MFA and is likely to have another two or three before it

this year's London summit pushed the boat along with the tide. In a curious way Gatt has was succeeded by the MFA in also been helped by the pro- 1974. Gatt believes that if the us. by President Ronald Reagan as he seeks to placate the strong and influential tionalised textile lobby in Washington. This is for the Workicularly hit China, South Korea, Hong Kong and Taiwan, and licen have led to a backwash of com-which have

plaints within the U.S. as well as from outside.

Those complaints are based



Anthony Moreton reports on moves to liberalise the Multi-Fibre Arrangement

Mr Arthur Dunkel, director-general of Gatt

that it could become institu-

This is not just a problem for the West but also for the producers. The quota systems and licensing arrangements which have grown up in the producing countries to cater for the administration of the MFA have led o a feeling of comfort among many producers. meetings tinder the chairman through the premise that the textile comfort among many producers. Indian deputy director general and clothing industries have of Gatt, on how to liberalise the had long enough to put their importing countries, now have a vested interest in seeing the house in order.

Textile protectionism stems MFA continue. reports to the Gatt council early from the Long-Term Cotton When Mr Arthur Dunkel, in November.

Agreement of the mid-1960s and directors-general of Gatt, put

well received. "All trade restrictions create presidential election.

vested sectoral interests." he stated. "Such vested interests can be counted on to oppose vigorously any change in the status quo."

Exporters could find marketsharing agreements "comfortable" he warned, adding that
it was not only the developed
countries but also the developing countries themselves that
needed to do "some hard
thinking in the coming months."
But the main message coming
from Textiles and Clothing in
the World Economy, so far as
the West was concerned, was the West was concerned, was that there was nothing unique about the challenge presented by competition from the developing countries in textues and clothing and therefore nothing to justify textule pro-

thectionism.

There is, however, a keen awareness in Geneva that it would be dangerously unwise to cut off the MFA suddenly, either in 1986 or with a very short time-scale MFA 4.

If MFA 4 is to be the last one, then it needs to be phased out gradually. There is a school of thought that accepts four-year MFAs are too short school of thought that accepts four-year MFAs are too short at time-span to do very much other than buy time for the industries they are supposed to be helping and avoid market disruption. A longer MFA 4 is therefore a prerequisite to its sholltion of the need to maintain a consensus and its rules were drawn up too loosely. It is thought that if a trade surveillance body learnt from the mistakes made in framing the TSB it could be a useful piece of equipment in Gntt's armoury and whild be at least

this very point to a meeting blatant politicking. Officials in of producer countries in Geneva are well aware that the Karachi last month, it was not very worst time to renegotiate very worst time to renegotiate an MFA is during an American

> Too many pressures are put on the strongest importing nation and, it is considered, it would be better to consider the future (for which, read "ending") of the Multi-Fibre Arrangement without the pressures a presidential election inevitably brings.

> That immediately suggests somewhere between 1993 and 1995. It would therefore not be forming opinion around the case for MFA 4 being the last.
> One other idea being floated is to set up, in the wake of the MFA, a trade surveillance body

> body. There exists a precedent in the textiles surveillance body, a committee which meets once a month to look in depth at all the arrangements made to regu-

How long could be determined by President Reagan's vears of textile restrictions.

Anglo-German consortium wins Andes pipe contract

A CONTRACT to build a 184- who are splitting the cost of mile oil pipeline across the the pipeline.

Andes to link up a new oilfield Dr Armand

Dr Armand Hammer, chairin north-east Colombia has been man of Occidental, which has awarded to an Anglo-German made a number of discoveries

Taiwan opens talks on Ford expansion BY ROBERT KING IN TAIPEI

WHILE Toyota and the Taiwan Toyota to meet its demands for much favour the Toyota pro-

government over a possible ex-pansion of its activities which could prove an alternative to the Toyota project.

Details of the Ford proposal

bead of the Economic Planning

The project may look less rosy in Taiwan because of the Council.

While Toyota and the Tawan Toyota to meet its demands for Government tussle over details of a proposed 300,000 unit a and a scheduled transfer of sistent on Toyota meeting its quantities and a scheduled transfer of company's local affiliate has technology in a project that was opened discussions with the initiated by Th20 Y20-tung, then the sentence of the September 4 deadline for the supply software in another European country. The French wegian order to supply software in England 1970. initiated by Thao Yao-tung, then chairman of the state-owned China Steel Corporation, later the project the September 4 deadline for

rosy in Taiwan because of the The contract, from the Nortalks with Ford, but it may also wegian telecommunications ad-Details of the Ford proposal are still very vague but they may be substantial enough to have contributed to Taiwan's tougher stance over the terms of Toyota's proposed joint venture with China Steel Corporation and several local companies to produce cars for export.

The government has set September 4 as the last date for the Taiwan car market via manufacturing. The government officials have recently insisted they still very to to be starting to look less attractive to the Japanese, who were seeking a foothold in the Taiwan car market via manufacturing. The government and several local companies to produce cars for export.

The government has set September 4 as the last date for the Taiwan car market via manufacturing. The government and several local companies to produce cars for export.

The government officials have from the present 65 per cent.

The location had planned for the tive to the Japanese, who were seeking a foothold in the Taiwan car market via manufacturing. The government has announced that it plans to lift bans on imports of Japanese of Toyota's proposed joint venture with China Steel Corporation and several local companies to produce cars for export.

The government has set September 4 as the last date for the Japanese, who were seeking a foothold in the Taiwan car market via manufacturing. The government has announced that it plans to lift bans on imports of Japanese of Cap Gemini Sogeti and the U.S. company technology and pave the chandogy and pave the chandogy and pave the chandogy and surger of the project.

Although relatively small, the company regards the deal as a breakthrough as it is the form of the project.

Although relatively small, the company regards the deal as a breakthrough as it is the manufacturing. The government is supplying to locate the project.

Although relatively small, the company regards the deal as a breakthrough as it is the manufacturing. The government is supplying to locate the project.

Although relatively small, the company regards the deal as a breakthroug

French computer group in Norwegian videotex deal

videotex system.

biggest computer services pean country. The French group, has clinched a Norwegian order to supply software for the country's planned public tem, based on an electronic

telephone directory. M Christer Ugander, head of wegian telecommunications administration is worth FFr 14m ites, said yesterday he hoped the cfl.2m), to be split roughly order would provide an interna-

Miners plan to picket Congress and all pits

the Alexand Mark

coking plant and workshop on Mon-day - the first day of the trade

This bears out the NCB's own inunions' annual congress and the day on which it has been suggested that moderate miners will attempt

a large-scale return to work. no more g Mr Arthur Scargill, president of the National Union of Mineworkers The pr (NUM), denied that his union's ex-ecutive had taken the decision be-faction among the public and trade would opt out of the 25 week strike. coal disput He said there would also be con-leadership. siderable numbers" of miners who would lobby the Trades Union Con- have been carried out extensively

suade the NUM to accept a state- chairman, and senior managers in ment of support from the TUC general council, which would stop short

Evidence from them, must be respected.

The issue has emerged as the cru-

Brighton yesterday, held a lengthy and at times heated debate on the level of support it could offer the ineworkers. Unions in the power industry insisted that they could not instruct their members to ob- NUM clearly showed mounting

Senior managers with the Na- about the return to work movement tional Coal Board (NCB) believe in the coalfields. that the emotional debates expect- He said that the NUM's decision ed to take place at the congress seemed to show that the dispute

toric is over, there will be little practical support. They believe that the
decision of the NUM leadership not
to draw into its TUC composite motion the proposal for a 10p weekly

concerned about the expectations of
to work movement.* NCB
leaders doubt that the NUM will be
able to muster enough pickets to
have any widespread effect over all
the NCB's 208 sites.

1.00 1.00

LEADERS of the striking mine- levy on all union members to help workers yesterday announced the miners is a clear indication that plans for a mass picket of every pit, the NUM has done its sums - and

formation, supplied by its privately-conducted polls – and bolsters man-agement's already-firm view that no more ground should be given by

The private polls are showing cause of a fear that many miners unionists towards the tactics in the coal dispute adopted by the NUM

The previously-undisclosed polls gress (TUC) at its meeting in Brigh- and repeatedly by the NCB during ton, southern England. the 25-week strikes and have been Leaders of the TUC were last crucial in maintaining the confinight involved in efforts to per dence of Mr Ian MacGregor, NCB

Evidence from the NCB's confiof the miners' key demand that all. dential polls had been showing that picket lines established by the support for the miners in the NUM, or other unions supporting strikes was mixed. But the latest figures show a marked and recent shift against the NUM.

cial and potentially the most divisive one facing Congress, if, as expected, the NUM insists on bringing its motion calling for total support to debate on Monday.

The general council, meeting in Division to the bate of the public, and more crucially for Mr Scargill's hopes of winning wider trade union support, 61 per cent of all trade unionists, believe that the NUM unionists, believe that the NUM leadership is politically motivated in the dispute.

> Mr MacGregor said last night that the mass picket of all NCB sites called for next Monday by the worry among the union's leadership

over the miners' strike will be ir-relevant to the outcome of the dis-lution. "It could imply that he (Mr Scargill) is becoming increasingly Their view is that once the rhe-concerned about the expectations of

Oil demand trebles at power stations

BY MAURICE SAMUELSON

BRITAINS electricity industry cut than half those of June 1983 - 16.7m its consumption of coal by 38.5 per tonnes as against 30m. cent in the first three full months of

The Department of Energy's latest monthly statistics provide fur-ther evidence of the strike's impact on power stations as they try to ensure unbroken supplies next win-

Between April and June, the industry burned 11.3m tonnes of coal, 7.im tonnes less than in the corresponding months last year. Atthough power station stocks fell by only 3.2m tonnes - under a third of months' because of the greater oil

Assuming Britain's warm sum-ner has kept the subsequent coal epletion rate constant, power sta-industries are setting up a confederthe miners' strike, while oil pur-chases by the industry more than depletion rate constant, power station stocks must now stand at about 13.3m tonnes, compared with more

Energy statistics show a sharp leap in deliveries of oil to power sta-tions - from just over Im tonnes be-3.26m tonnes in May-March 1984. The Central Electricity Generat-

the consumption rate - stocks at the end of June stood at little more ing produced.

Vauxhall lays off staff after unofficial strikes

BY OUR LABOUR CORRESPONDENT

the factory's production force.

MORE THAN 3,000 Vauxhall workers were laid off yesterday in a long-running bonus scheme row.

Soon after bodyshop workers yound the successful Cavalier line. Soon after bodyshop workers voted to walk out of their car plant at Lutto walk out of their car plant at Lut-on, the company laid off almost half the factory's production force. which lasted 11 days, caused the loss of about 200,000 working days, according to Government figures.

BASE LENDING RATES

A.B.N. Bank	101 %%%%%%%%%%%%%%%%%%%%%%%%%%%%%%%%%%%
Grindlays Bank101% + Call deposits f1,000 and over	ሉ. r 7%%.
<u> </u>	

Tory MP launches plan to cut jobless

By Ivor Owen

PROGRAMME for keeping 1m eople in employment at a net cost of less than £1bn a year was launched yesterday by Sir Philip Goodhart, a Conservative MP and

His proposals, which he insists would not involve the Government initiating any embarrassing U-turn in its economic policy, point to the concern among many Conservative MPs about the growing likelihood that the unemployment total will stay well over 3m up to the next general election.

ecutive of the 1922 Committee of Conservative backbenchers, an in fluential group's advocates measures in a pamphlet called "Jobs Ahead" which are backed by many of the arguments used by Mr Edward Heath and the so-called "wets" on the Conservative backbenches. They have repeatedly called for more positive action by the Government to deal with the

unemployment problem. While Sir Philip takes personal responsibility for the views expressed, the pamphlet was pro-duced in consultation with the One

Nation group of Conservative MPs.

The timing of its publication, just ahead of the Conservative conference and while ministers are active ly considering changes in regional policy due to be announced in October, is not without significance.

His main proposals are:

• A 50 per cent reduction in the employers' National Insurance contribution for workers in all the economically assisted areas - to be financed from the savings resulting from the scrapping of the existing system of regional aid.

Abolition of the employers' National Insurance Contribution for all workers under the age of 20, and a year's waiver when anyone over the age of 55 who has been unemployed for three months or more is idded to the payroll.

 Government encouragement to public and private sector employers to introduce a short working week to permit job sharing by school days work.

Information industry forms policy group

By Raymond Snoddy

ation to try to expand the market for their products and services.

The body, to be called the Confederation of Information Communicavelop coherent policies for the information industries, which include publishing, printing, broadcasting, cable and satellite television, film, video, recording, videotex, compu-ter software and libraries. They are estimated to have a total annual turnover of £15bn.

The confederation's working par-ty says there is "a clear and identifi-ed danger that the full potential of this important and growing sector of the British economy – particularly in achieving the full benefits of the most of the report's recombrated by information and British mendations seemed reasonable, spokesman on the environment, innovation - may not be realised." | they were based on a number of Mr Clive Bradley, chief executive of the Publishers Association, is to be the confederation's director. wrong-headed arguments. ment of Mrs Thatcher's Government of the Publishers Association, is to that our efforts to restrain local ment of the publisher's Government of the publisher's Association, is to the publisher's Association, is to the publisher's Association of the pu

THE GOVERNMENT has rejected government spending have caused some conclusions of a report that rates to be more than £1,200m highcalls for major changes in the way er than they might otherwise have grants are distributed to local au-

grants are distributed to local au-horities. The report says such overspend-ing has come about because local by the independent Audit Commission, found that the basic idea of a block grant was sound; but it criticised the imposition of spending funds. Mr Jenkin argues that the buildtargets and penalties, and the use

larly on local needs and property Opponents of the Government's policies towards local government

the present system. latest estimates show current ex-Mr Patrick Jenkin, Environment penditure at £750m above the Govthe present system.

of inadequate information, particu-

authorities have been forced to cope tion of block grants by using special

up of reserves is estimated to be

lower as a proportion of current ex-penditure in 1983/84 than it was in "We do not accept the surprising finance have seized on the report's conclusions and say that they highlight some of the inadequacies of 84," he said. "Local authorities' own

spokesman on the environment, called the report "a damning indict-ment of Mrs Thatcher's Govern-

Oil price cut 'would aid growth'

The school's centre for economic self be inflationary. forecasting believes, however, that an oil price cut would have an adverse effect on the UK inflation rate, although cheaper oil would tend to depress prices worldwide.

In a paper "Lower Oil Prices and

A FALL in the international price
of oil would help the British econocentage points to the inflation rate that the Government would not my by stimulating economic growth after three years. The centre makes react to the fall in oil prices by dethe point, however, that the fall in fending sterling or seeking to curb the exchange rate associated with a novershoot of its public sector fall in the oil price would not by it- borrowing requirement

This is because the higher import prices resulting from the fall in the exchange rate would be offset by the lowered cost of energy. The Royal Bank of Scotland. higher inflation rate predicted by the centre's model of the economy

price of oil from \$29 a barrel to \$25 a barrel to \$25 a barrel would cause a fall of about 5 per cent in sterling's trade-weighted value against a basket of currencies.

Ine lan in on prices would, it is estimated, improve national output by about 1 per cent and manufactor to an average of 1.323. Since oil is priced in dollars this had the effect of boosting the daily sterling value of output by £2m.

Britain's North Sea oil output is

Oil output recovered in July after several months of falling produc-

the UK Economy", based on a computer simulation, the centre predicts that a 14 per cent fall in the

European tourism expected to grow

THE WILLINGNESS of Europeans to take holidays has nowhere near levels, with over 80 per cent of the reached its peak and the number of tourists will continue to increase, holiday away from home."

THE WILLINGNESS of Europeans France and Germany to reach those to take holidays has nowhere near levels, with over 80 per cent of the population taking at least one long tourists will continue to increase, holiday away from home."

approached ceiling levels so far," eager to travel great distances.

Prof. Medlik says.

As the recession has bitten, so

"In the next few years Britain the British and Germans have cut may expect to return to the peak back on domestic holidaymaking levels of the late 1970s, and both rather than on foreign travel.

in a review of European holiday among the 150m Europeans who patterns for the management consultancy Horwath & Horwath (UK). still some national differences. The "In the three mature markets of French holiday more within their

French holidays "have been seem ingly little affected by the reces-

The biggest European decline in the long-haul market has been the decline in the number of Britons going to the U.S.

The report suggests that British holidaymaking abroad will increase and West Germany – holiday propensities have not reached or even approached ceiling levels so far." easer to travel great districts. France and high levels of foreign holidays by the Germans.

Europeans on Holiday, published by Horwath & Horwath (UK), 84 Baker Street, London W1. £10.

Willis, the puzzle, set to take over TUC leadership

John Lloyd, Industrial Editor, looks at the next head of the trade union movement

EVERYONE SAYS Norman Willis (TGWU) headquarters in 1949. His ed. The TUC is so organised that evis a puzzle. No one knows what he might be capable of. Some who pro-fess to know dismiss him as a bufoon; while others reckon he could knit together the schismatic Trades Union Congress (TUC) and usher in a a new era. But they usually add: "I

هكذا صن النَّصِيل

Mr Willis will be confirmed as the ext Tuesday, when the votes are cast at the 116th TUC Congress at Brighton. He has enough already committed to win: but he will take the post on a contested vote with David Lea, the assistant general secretary - with almost as many doubts over his future performance

He will inherit an in-tray from record straight. Mr Len Murray, the retiring general secretary, which will have scarcely a cheerful bit of reading in it. So depressing are the omens for Mr Willis that he has just about nowhere to go but up.

He has gone up quite consistently since he got a job as a messenger boy at the age of 16 at the Transport

BY DAVID LAWSON

enerating sets. Last year the in-

U.S., and preliminary figures show

that the UK is holding its position

Exports of generating sets, which

make up more than 80 per cent of

the UK industry's output, reached

£156m last year, compared with £148m in 1982. U.S. output fell to

£131m in 1983 from the command-

ing lead of C246m the year before. West German exports slipped

from £142m to £125m in the same

period, while Japan's total (after

stripping out petrol-set figures) de-

clined from £91m to £70m.

thorities.

UK leads in diesel

generator exports

BRITAIN has become the world's markets were also found in Angola

eading exporter of diesel-powered and South America, while busines

dustry overtook the lead held by the East, according to Mr Iain Dale

The UK growth came partly at the way that most British manufac

the expense of the U.S. because of turers had heeded warnings not to

Jenkin defends state's

strategy on grants

father was a barber and a keen trade unionist his mother was as committed, and has been a crucial influence on his life.

He took a spell out at Ruskin College after national service, and re-turned to the TGWU as research director then assistant to Mr Jack Jones, its general secretary, from 17th general secretary of the TUC 1970 to 1973. In that year, he applied for and got the job of TUC deputy general secretary as Mr Murray moved up to succeed Mr Vic Feath-

The conventional wisdom has been that Mr Jones, the TUC's most powerful figure, placed Mr Willis in doubts over his future performance the post. It is a measure of the damin the minds of his supporters as in the minds of those who oppose his can now do him that he has spent some time and energy setting the

seen the job advertised and cajoled her unwilling son into applying. Mr Jones was rather against the idea because he believed there could be no better place to work than the TGWU (although he supported his candidature). So Mr Willis arrived as number two.

And as number two he has stay-

grew in Nigeria and the Middle

chairman of the Association of Brit

ish Generating Set Manufacturers

There are fears of a setback i

the oil-producing countries, while

the Nigerian market has faller

from a total of more than £50m to

only £13m this year after a freeze

on orders. Yet estimates for the

ports are continuing to look hea

thy, reaching £65m, compared with about £50m for the U.S. and £45m

for West Germany. Japan's adjust

ed total is estimated at about C35m.

Mr Dale said he was pleased with

eryone is an assistant to the general secretary, there is no tradition of baronies within the kingdom.

Mr Murray by temperament was a fanatic for work and detail, while the two assistant secretaries Mr David Lea and Mr Ken Graham, appointed in 1976 - have overseen the major departments of economics and employment.

Mr Willis was given Congress House to organise, ran committees on pensions, organised the TUC input into the People's March for Jobs and the Tolpuddle rallies - but, except when Mr Murray was ill, was given no taste of Whitehall manhead-banging or taking the ring in the media circus.

against his lot. Relations between Mr Murray and Mr Willis are not known to be cordial, but the deputy stuck to his belief that the boss is the boss. He carved out something of a niche for himself in smoke filled rooms at such times of crisis as the winter of discontent (1978/79) and he was an assiduous attender and speaker at the less glamorous

jokes made him popular on the ros- Mr Willis got. trum and in the pub afterwards (and discouraged many from taking

bim seriously). It stands in marked contrast to and kept enemies. Mr Willis is making a conscious effort to cut out the jokes, but at 51 he cannot remould his character. The years of his ste-wardship (they could be as many as any general secretary, ever. 14) will have a vastly different flayour from Mr Murray's

A recent illustration: when Mr Murray became ill in the heat of the Tolpuddle rally last month, Mr Willis took the opportunity of tempor-ary access to power to travel up to Sheffield with Mr Ray Buckton, the present TUC president and general secretary of the train drivers' union Aslef, to sound out the miners' leaders on how the TUC might help (or become involved in) the strike.

The act was a graphic contrast in styles: Mr Murray would have ex-pected the miners' leaders to come to him, in London, and would have waited for the "proper" opening be-fore compromising the dignity of

His jolly sociability and stream of the TUC by courting the snub which

The signs are that he will try to consultative TUC, aiming at dissolv ing tensions and conflicts through the austere, socially stiff Mr Mur-ray whose caustic tongue has made discussion and compromise. His ap-proachability, the depth of his contacts and his problem solver's mind will stand him in good stead.

Yet he will face some of the larg-

For the first time since the early 1930s, union membership is set on 3 long-term pattern of decline as unemployment continues to rise.

Mr Murray's ambitious attempt to make unions more responsive to their members and hence carry more weight in Government foundered on a hundred rocks of overt or sullen opposition, and nothing has taken its place. The gulf be-tween left and right-wing unions yawns wider than ever, and no one person, or group, on the general council can bridge it for long.

He must play his part as the se nior partner in the old firm of the labour movement, a part made easier by his friendship with Mr Neil Kinnock, the Labour leader.

Notice of Redemption

International Standard Electric Corporation

9% Sinking Fund Debentures, due October 1, 1986

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated October 1, 1971 between International Standard Electric Corporation and European American Bank & Trust Company, Trustee, 81,699,000 in principal amount of Debentures of the above issue will be redeemed through operation of the sinking fund on October 1, 1984 at the sinking fund redemption price of 1992, of the principal amount thereof together with interest accrued to the date fixed for redemption.

The coupon Debentures to be redeemed bear the following numbers Coupon Debentures of \$1,000 Principal Amount

Source will be red-empted through operation to any washing amount oversite to whether with interest accrued to the component of the component

On tertoker 1, 1884, the date lixed for redemption, there will become due and payable on the Debentures to be redeemed the principal amount thereof together with interest accrued to the date lixed for redemption, Payment of the redemption price on the Debentures to be redeemed will be made on or after Octuber 1, 1884 at the Principal Office of European American Bank & Trust Company, 10 Ranover Square in the Borough of Manhartan, the City of New York or at the main offices of Amsterdam-Rotterdam Rink N.V. in Amsterdam, Societe Generale de Banque S.A. in Bussels, Deutsche Bank Aktienne selbeshaft in Frankfurt, Banque Generale du Luxembourg S.A. in Luxembourg, Credito Italiana in Milan and Societe Generale pour favor iser le Developmement du Commerce et de l'industrie on France in Paris, Midland Rank ple, Overseas Branch in London, upon presentation and surrender for redemption of the Debentures to be redeemed together with all coupons appertuning thereto maturing after the date fixed for redemption. The coupons maturing on October 1, 1884 should be presented for payment in the usual manner. From and after October 1, 1884 interest on the Debentures to be redeemed will cease to accrue.

International Standard Electric Corporation By: European American Bank & Trust Company

ADR and arbitration in competition

THE ALTERNATIVE dispute reso-time and budget limits of the parmissions and committees, but nothlution (ADR) described in this col- ties in dispute.

ber of Commerce Congress held in failed. Stockholm recently, Mr J Gillis "The Wetter, a Swedish Solicitor-Royal reform and the author of a five-volume compendium on The International Arbitral Process, had no doubt that for private parties." This sounds it was a gimmick which could not, very well except that "a profound and should not, replace the estab- reform of the law or of the judicial lished methods of settling disputes by litigation or arbitration. His arguments were principled, but ADR, with the judicial procedures avail-while admittedly a second best, may be the right method within the led to the creation of Royal Com-

Income from investments

Expenditure on research and development ...

Outside shareholders' interest in profits of

Profit attributable to ordinary shareholders

Weighted average number of ordinary shares in issue (see Note 3 below)

Earnings per ordinary share—cents
Dividends per ordinary share—cents

Interim
Final
Capital commitments—R million

Group borrowings-R million

cepted accounting practice.

date of commissioning.

Taxation

NOTES:

"The remedy must be a profound reform of the law or of the judicial system... rather than a search for available optional courses of action system" takes a very long time. The frustration of UK business

gge.

Anglo American

Industrial Corporation Limited

INTERIM REPORT FOR THE SIX MONTHS ENDED JUNE 30 1984

The following are the financial results of the corporation and its subsidiaries for the six months ended June 30 1984, together with the corresponding figures for the six months ended June 30 1983 and the year ended December 31 1983. These should be read in conjunction with the notes below:

Unaudited

42.1

110.2

15.3

68.7

620.3

620.2

The 1983 interim results have been restated to include in the retained profits of associates. Amic's share of the loss of Sigma Motor Curporation (Proprietary) Limited (Sigma), in accordance with the change of accounting policy as reflected in the 1983 annual financial statements and to take account of the disposal of African Products (Proprietary) Limited to The Tongaat-Hulett Group Limited with effect from Langary 1 1983

January 1 1960.

The interim results have been prepared in terms of the corporation's existing accounting policy for the valuation of stocks. This policy is currently being examined in the light of the recent amendments to the Income Tax Act and changes in generally

The directors are satisfied that the corporation's subsidiaries have made adequate provision for foreign exchange liabilities relating to trading operations. Any exchange rate differentials on the uncovered foreign loans raised in respect of the capital projects of Mondi Paper Company Limited (Mondi) and Highveld Steel and Vanadium Corporation Limited will be taken into account in the capital cost of the plants at the

As announced in the Press. Amic offered 3864122 ordinary shares at a price of

R26.00 a share to its ordinary shareholders and option holders during June 1834. The offer raised R100.5 million which will be used to fund capital commitments and to place the group in a position to take advantage of any further investment

As a result of the offer the issued ordinary share capital has increased to 49 638 139

Sigma's sales increased by 9 071 units (46 per cent) to 28 779 units in the first six months of 1984. However the higher interest rates, coupled with the weaker Rand, to a large degree offset the financial benefits of the increased sales. Amic's shares

of Sigma's loss was reduced from RI7.4 million in the first six months of 1983 to R12.7 million in the period under review.

As recently announced, the Sigma group has undergone a major restructuring, together with a change in name to Amear Motor Holdings (Proprietary) Limited. The restructuring, with the emphasis on the respective franchises, is expected to improve further the group's position in the market.

Mondi has acquired the entire issued share capital of Bruynzeel Holdings Limited with effect from January 1 1984. The merger of these two Amic subsidiaries has resulted in a rationalisation of their operations and better utilisation of their

Six months

Unaudited

33.1 (5.0)

1,3 4.2

119.6

3.0 26.3

29.3

71.4

10.5

60.9

133.4

755.7

604.7

45 680 017

ing else. Earlier this year the Lord umn last week, has started "an ex- Mr Wetter said that it was not a Chancellor appointed a special deplosion of research and legislative endorsement in the U.S., according to the American Arbitration Association.

Other wetter said that it was not a partmental working party to consider the u.S., according to the American Arbitration Association.

Other wetter said that it was not a promise a special departmental working party to consider the issues involved. It will report in four years time. There is no reason to hope that its recommenda-Obviously it has many support- promise solution was viewed as a tions will not share the fate of those ers; it also has critics. At the special desirable, it was a sign that the law session of the International Cham or its precedures - has dismally may be some small benefit emerging gradually - perhaps for our grandchildren.

In the meantime, business lawyers will have to devise methods for an easier resolution or settlement of disputes. Mr Wetter is, of course, right when he says that without the possibility of going to courts or obtaining an enforceable arbitration award there would be no inducement to settle.

He is also right in pointing out that some of the publicised mini-tri-

ended 31.12.83 Audited R million 1 583.9

303.6

8.4 55.7

64.1

239.5

199.4

36,9

162.5

355.9

55.0 125.0

45 680 017

als are, in fact, nothing more than a stor - or as "adjudicator" making meeting between two executives an award on the merits of the case flanked by their lawyers to reach a They agree on a fixed time schedule settlement of an old dispute by a and on the fee to be paid to the law compromise. It is, however, also yer. Whether acting as special countrue that the possibility of starting cil or as adjudicator, the lawyer aplitigation is a deterrent which one pointed by the parties has complete must have as a fallback, but which control over the procedure. It is un-

which the executives of the compa-nies in dispute are usually assisted and numerous interlocutory mea neutral chairman or adviser tions and other diversions.

Island. In these states parties can jointly ask the court to appoint a referee, possibly of their own choice. With the exception of con-tempt of court senctions, this referee has the same powers as a trial judge and conducts the proceedings

the field who will be able to give to have to do in order to keep his court be the only commercial possibility. open to other netitioners.

It has been estimated that U.S. year on nugation including the pre-trial procedures. In fact, the pre-tri-al stage characterised in the U.S. by enormously extensive discovery -obtaining of documents and evidence from the parties, as well as from third parties - may be responsible for a large proportion of the

cially strong client, lawyers will obtain truckloads of documents and hire researchers to go through them with a fine toothcomb, looking not only for evidence in support of claims already made but also for material serving as the basis for further complaints. The ADR Service of the Federal Bar Council, infinited in 1982 is a property for the service of the Federal Bar Council, infinited in 1982 is a property for the service of the Federal Bar Council, infinited in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the service of the Federal Bar Council, in 1982 is a property of the 1982 is a property of the 1982 is a property of the 1982 itiated in 1982, is a reaction to this

one hopes never to use.

In addition to the mini-trial, in derstood that he will not adopt the conventional U.S. adversary procederstood that he will not adopt the

by a neutral chairman or adviser who makes a guess at the probable outcome of litigation and thus provides a guideline for settlement, other ADR methods are being developed, some deviating only very little from conventional litigation.

In this category falls the "rent-atomic of the settlement of th judge" System made available by tempering the adversary habits of legislation adopted on the model of U.S. lawyers, however, by giving California, in New York, Oregon, greater judicial control over the Washington, Nebraska and Rhode

> Mr Wetter is clearly not much in pressed by the various ADR schemes. He prefers, on the international level at least, arbitration

according to normal court proce- ed out by Prolessor Clive M. dures. His judgment is appealable Schmitthoff that English arbitraor enforceable in the same way as tors, like English courts (and Belany other. The parties have to pay the power to adapt a long-term contract judge, but this is probably more to changed circumstances, unfore-than compensated for by being able seen by the parties. Unless the to obtain a decision much faster controt contains a "hardship than going to court. They can clause," or gives to a third party the choose someone with experience in power to develop the contract fairly the field who will be able to give to both sides, either by recommenthe trial most of his time, instead of dations or in a binding fashion, a restricting the hearing to one day in settlement by negotiation or with the week as a busy judge might the help of an ADR procedure will

In the end, Mr Wetter unwittingly corporations spend about £80bn a year on litigation including the pretrial procedures. In fact, the pre-trial stage characterised in the U.S. by pute which could not be intelligently resolved by businessmen, assist-

overall costs.

When acting for a big and financial impact of decicially strong client, lawyers will obtain truckled a financial impact of decicing the financial imp

Legal Correspondent

particular problem.
In using the Federal Bar Council's scheme, the parties agree on an experienced trial lawyer to serve either as "special council" - a meditary and formula of Business either as "special council" - a meditary (1980), pp 83-84.

European groups face U.S. contract resistance

BY LYNTON MCLAIN IN LONDON

THE U.S. Department of Defence and the U.S. Congress have little interest in large defence products for which U.S. companies are not prime contractors, according to Mr Robert C. Little, vice-president of McDonnell Douglas Corporation.

In a paper on military aircraft and international collaboration delivered in London yesterday at the FT Conference on World Aerospace: After the Recession, Mr Little said he recognised the difficulties that such a stance by the U.S. posed for European aerospace manufactur-

The U.S. "likes selling to our European allies and the loss of our ccess to the European market would, in our eyes, be nothing less than an appailing development," he

"But we know that Europe wants a meaningful piece of the action, in participation in the development of new techniques in manufacturing and in the benefits that come with meeting the needs of customers in the free world."

the free world."

Sikorsky Aircraft, the U.S. helicopter manufacturer, which is facing growing competition from Europe, "recognises the strengths of the relationships between Westland, the UK helicopter company, and Agusta, the Italian helicopter company, on the EH-101, and MBB of France on the PAH-2." Mr Williof France on the PAH-2," Mr Willi-am F. Paul, the president and chief executive officer of United Technologies' Sikorsky Aircraft division,

the long-term viability of a Heli-En-rope organisation, which attempts to fill the needs of European mar-kets, while excluding U.S. partners from participation in the effort," Mr

THANCIAL TIMES **AEROSPACE** AFTER THE RECESSION CONFERENCE

There is a very real danger that available European funding will be dissipated to duplicate basic tech-nology already available across the Atlantic. A second, perhaps more dangerous, result of a nationalistic policy is the polarisation of the U.S. industry that is bound to occur," he

The collaboration between Rolls-Royce, Pratt & Whitney, Japanese industry, MTU of West Germany, and Fiat of Italy in the Internation-

Over the same period "we may expect substantial retirement of aircraft. The factors would lead to a requirement for more than 5,000 new civil aircraft during the next 15 years." Mr Robbins said that requirement was generated two thirds from growth and a third from retirement of ald sirereft.

From the engine manufacturers point of view, we expect this market to be split into four major thrust categories, considering only the jet aircraft market," Mr Robbins said. The categories were 10,000lbs to 15,000lbs; 20,000lbs to 25,000lbs; 40,000lbs and 50,000lbs or greater.

The large engine sector, greater than 50,000 hs thrust, represented the largest share of a total market of \$50bn of installed engines over the next 15 years.

and Fiat of Italy in the international Aero Engine V2500 engine project, "reduced research and developed early wears would be at a lower rate than over the past 10 years, but the equipment requirements of airlines would be "enormous," Mr Arthur E. Mr Ralph Robbins, director of Wegner, the president of Pratt & Rolls-Royce's civil engine group, whitney, United Technologies Cor-Air traffic growth in the next 10 poration, the U.S. sero-engine man-"Together, we have produced a specification better than any one company could have done alone."

"Together, we have produced a specification better than any one company could have done alone."

"Together, we have produced a specification that of the specification is a specification to the specification of the specification that is a specific to the specific transfer of 85 per cent greater than last year,"

He pointed out that design programmes in aero-engine manufacture required more than 10,000 aircraft and engines built in the times the computer power required only two or three years ago. "Pershaps this is one area where we may be reaching the point of diminishing returns."

Little doubt existed, however, he said that crid aviation was still what crid aviation was still where we are convinced that there will

Little doubt existed, however, he said that civil aviation was still growing. The forecast average moved to the century of 5 per cent a year in reverence passenger miles for the rest of the century, if achieved, would lead to traffic of three times the present line manufacturers vying to power that there will not be three engine manufacturers vying to power the 150-passenger alreadt," he added,

RAF boosts range capability

3,000 miles non-stop with 21 Her-cules transport aircraft, 5 air-to-air refuelling TriStar tankers and a complete fighter squadron; Air Mar-shall Sir Peter Harding, the Vice-Chief of the British Air Staff, said in London at the FT conference yesterday, writes Lyuton McLain.

THE ROYAL Air Force could de-ploy the entire 1,600 paratroops of the newly-formed 5th Para Brigade 3,000 miles non-stop with 21 Mer-distances, at the same time avoid. mg countries which might not give us diplomatic clearance for over-flight, he said.

Air Marshall Harding forecast that the modernisation of the Royal Air Force, with the introduction of the Tornado F2 Interceptor, the Nimrod airborne early warning air-"I see this type of operation be-coming increasingly attainable and traft and new weapons and radars cost-effective, even global in reach, with a modern command and con-in the future," he said. Air Marshall trol system "will transform the air "With the demise of many of our Harding is to become the Vice-Chief defences of the UK."

AIRLEASE INTERNATIONAL FINANCE LIMITED US\$30,000,000 8%% GUARANTEED BONDS 1988

Notice is hereby given that, in accordance with the Conditions of the Bonds. 1.337 Bonds each of \$1.000 principal amount have been drawn for transport at their principal amount on the ist October 1984, in full settlement of the instalment of the sinking fund due ist October 1984, the baleace haven been ourclasted for transculation. From that date, kneered on the Bonds to drawn will crass to accord; their definitive numbers are as follows:-

combined forestry resources.

The major element of the Amic group's capital commitments relates to the construction of the Mondi pulp mill complex at Richards Bay. The pulp mill will be commissioned in the fourth quarter of 1984 although, due to certain construction delays, pulp production during that quarter will be lower than originally planned.

delays, pulp production during that quarter with be lower than originally planned. The earnings of 149.5 cents per share for the first six months of 1984 are based on the weighted average number of shares in issue at June 30 1984 and represent an increase of 12.1 per cent on the 133.4 cents per share earned in the corresponding period of 1983.

Trading conditions in the second half of the year will be more difficult than originally forecast, particularly in the consumer and semi-durable sectors. This deterioration, coupled with substantially higher interest rules and the adverse currency situation, indicates that the increase in earnings per share forecast previously will not be achieved and earnings per share for the year on the increased share capital will be similar to last year.

For and on behalf of the board W. G. Boustred Directors G. W. H. Relly

INTERIM DIVIDEND NO. 41

The directors have declared an interim dividend of 55.0 cents per share (1983: 55 cents) in respect of the year ending December 31 1984 payable on October 12 1984 to ordinary shareholders registered in the books of the corporation at the close of business on

September 14 1984.

The ordinary share transfer registers and the ordinary section of the register of members will be closed from September 15 to 28 1984, both days inclusive, and warrants will be posted from the Johannesburg and the United Kingdom offices of the transfer secretaries on or about October 11 1984. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on September 17 1984 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency, provided that any such request is received at the offices of the corporation's transfer secretaries in Johannesburg or in the United Kingdom on or before September 14 1984.

on or before september 14 1964.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the Head and London offices of the corporation and also at the offices of the corporation's transfer secretaries. Consolidated Share Registrars Limited, 1st Floor, Edura, 40 Commissioner Street, Johannesburg 2001 (P.O. Box 61051, Marshalltown 2107) and Hill Samuel Registrars Limited, 6 Greencoat Place, London SW1P 1PL.

By order of the board ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED Secretaries

44 Main Street August 31 1994

Divisional Manager London Office: 40 Holborn Viaduct London ECIP LAJ

FERNARI STATE RANGE STATE STA | 105/66 | 107/02 | 107/04 | 107/05 | 107/04 | 107/05 | 107/04 | 107/05 | 107/04 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 107/05 | 1 12 2010 12 201 155701 155723 155724 155724 155724 155724 155726 155726 155726 155726 155726 155726 15772 15782

On or after Lt. October 1984, the above Bonds may be presented for redemption at their principal amount at the specified offices of the paying agents appointed as mentioned at the Conditions of the Bonds. Each of the shape Bonds, when presented for redemption, must be accompanied by all the Coupons maturing after the redemption date. If such Coupons has not strucked, the amount of the missing annutarized Coupons will be deducted from the sum dum for payment. The Coupons due on his October 1984 should be presented for payment in the normal manner.

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Contracts & Tenders

REPUBLIQUE DU ZAIRE DEPARTEMENT DES TRAVAUX PUBLICS ET DE L'AMENAGEMENT DU TERRITOIRE **OFFIGE DES ROUTES**

Appel d'offres No QR/SGMTP/001/GA/84

AVIS D'APPEL D'OFFRES INTERNATIONAL POUR LA FOUNITURE DE BUSES ET LIANT BITUMINEUX

La République du Zaire a obtenu un prêt de l'international eloppement Association en vue de finance partiellement le projet d'entretien routier de l'Office des Routes.

1. Objet de l'appel d'effres

L'Office des Routes met en adjudication en deux los la fourniture de buses et de liant bitumineux, nécessaire à la réalisation de son programme d'entretien routier dans toutes les Régions du Zaïre. La participation est ouverte à toutes les Enterprises des Etats participants ou des pays membres de l'IDA et de la Suisse. La fourniture comprendra:

---9.500 buses ---1,500 tonnes de bitume.

Les èlens proposés devrant obligatoirement provenir et être produits dans les Territoires des Etats participants ou pays membres de l'IDA et de la Suisse.

3. Achat du dessier

Le dossier complet d'Appai d'offres peut être obtenu:
—auprès de la Direction des Approvisionnements du
SGMTP/Office des Routes B.P. 16299. à Kinshasa 1. (Bâtiment situé rue Bobozo, ex Chemin des Poids Lourds à Kinshasa Kingabwa.) Contre paiement d'une somme de 7200 Zaïres avec reçu de la calese du SGMTP à insérrer dans la soumission.

Division, 817 Broadway, 10003 New York (USA);
-auprès de World ORT Union, ORT House,
Purchasing Dept. 3 Sumpter Close, Finchley Road,
London NW3 5HR. Tel: 01-431 1333.

4. Remise et ovverture des effres

Les offres doivent parvenir sous pli fermé au Secrétarist Permanent du Conseil des Adjudications de l'Office des Routes, B.P. 10.899 à Kinshasa I, avant le 22 Octobre 1984, à 10 heures, date et heure auxquelles il sera procedé en séance publique à l'ouverture des

5. Delais de Hyraison

Les délais de livraison commencent à courir le premier jour du paiement de l'avance ou de l'ouverture. Ces délais se terminent à la date de réception du dernier élément constitutif du jot. Ces délais de livraison sont du des éléments pour l'évaluation et le classem

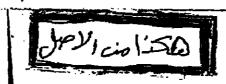
6. Lien de Hyraisen

Le lieu de livraison est indiqué à l'Article 18.1 du CTS No. OR/SGM7P/001/CA/84.

OFFICE DES ROUTES DIRECTION GENERALE

SHAFALI BUSIKU Administrateur Directau

LONDALA MALELA Administrateur Directeu



MANAGEMENT

A 'hired hand' on the Mersey

As Britain's national docks situation becomes ever more confused Ian Hamilton Fazev describes how one dock company was dragged back from the brink of collapse by the efforts and individual style of its current chairman

James Fitzpatrick's manage-ment style is that managers Cuckney, who took over as must be accessible. He himself chairman himself for a couple achieved it by getting into the of years, made only one promo-office each day at eight o'clock tion from the company's exist-and declaring open house until ing management team—and nine. In that hour, anyone that was to appoint Jim Fitz-could pop in and see him, and all labour relations.

they did.

He was careful not to give lecisions but to use his listening hour" to find the

lie of the land.

He says: "There were no promises made at eight in the promises made at eight in the morning. You have to take great care not to cut across your own lines and ruin your managerial machinery. But it does help you to ask the right questions and find out if your people have been doing their homework or not listening to the best of the tom-toms."

"Mr Fitz," as he is known by many of the early-bird shop stewards who have bent his ear over the last few years, combined accessibility with acumen and undoubted inter-

"Mr Fitz," as he is known by many of the early-bird shop stewards who have bent his ear over the last few years, combined accessibility with what the fast disappearing acumen and undoubted interpersonal skills to transform Establishment—descendants of Labour volutions in his course. labour relations in his com-pany. Despite this earning him the title of "Slippery Jim" Empire around the turn of the among critics of his style. a 19th century—still refer to dismeasure of his success is that, paragingly in their clubs as a at 54, he has just been pro—"hired hand." measure of his success is that, at 54, he has just been promoted from managing director

is that the organisation con-cerned is the Mersey Docks and and managing director two Harbour Company, the chair-manship of which has usually been a cross between a sinecure to become a lawyer, doing his and an honour. It used to be articles in the legal department passed around among the attention of now-defunct or taken-over family shipping companies until the Port of Liver-tially comfortable niche on the corporate staff and went into management, learning his

The man who swept the old conventions aside was Sir John Cuckney, merchant banker and "company doctor" sent in to patterns of trade were going sort out why the old dock board to affect the labour force and

patrick as director of personnel and labour relations. Since then Sir John Page, a

three-year stint by Sir Arthur Petersen, who was appointed to the job after retiring from the ships and cargoes common.

Inner London Education Fitzpatrick knew from his own

the men who made Liverpool the second city of the British

So how has Fltzpatrick got so far? The process began a long A greater measure, however, time before he became deputy that the organisation con-chief executive to Page in 1975

years later. He joined the old dock board pool went bankrupt in 1970 and corporate staff and went into Edward Heath's Government line management learning his put an end to a situation where the customers were in effect dockside. It was there that he developed his feel for everyday

life on the docks. He could also see the way shipning technology and changing had crashed financially and de- change the entire regional

ONE OF the basic tenets of faulted on its dues to bond- economy of Merseyside. When he became personnel director at 40 his prime task was to work out a modernisation programme that would lead to massive capichange rather than merely being

stevedoring companies on the since then Sir John Page, a Mersey stopped operating and retired oilman returning to the dock company suddenly Britain after a lifetime's service abroad, has had two spells as chairman, sandwiching as relations image was appalling, with strikes and wrangles over

> experience on the quay that the employer was usually a reluctant, often impotent, pig-in-the-middle between the dockers and the shippers, ship-ping lines, importers and exporters who comprised the port's customers.
>
> The customers demanded a

service; the dockers demanded their wages. The dockers did not feel they were working for the customers, but their em-ployers, who in turn were trying to work for the customers but were only indirectly responsible for delivering the goods. Without the dockers' with another 300 to go in the goodwill, nothing was going to next few months. This was by

happen. Fitzpatrick decided to involve the dockers up to their necks. He started bringing them into negotiations with customers, so that they had to make the promises and agree the rates for jobs directly. He took them to places like the Canary Local stockbroker Tilney & the newly disused areas ready Islands, where they discovered Co, speaking before July's dock for development and/or possible that tomatoes were grown by strike, expressed the view that workers' co-operatives, not this would be no flash in the Spanish grandees; if a cargo pan, with similar figures likely perished through being strike- for this year if management bound other workers' liveliculd negetiate another two-

of them abroad. Involvement brought commitment and, slowly, things began to change. Understanding the market also led to an understanding of over which he has no control.



james Fitzpatrick; used his "listening hour" to find the lie of the

why the port needed to modernise in order to stay compe-titive and survive. Bulk terminals for coptainers, grain, meat and timber had to be developed to run with as much capital equipment and as little labour as possible, whatever the effect on Merseyside's dole queues. For without a viable port, Merseyside's plight would be even more parlous than it is

aiready. The results are in the figures: 8,500 dockers in 1970; 1,400 now consent, with not a single day consent, with not a single day lost on the modernisation issue in a 12-year programme. More important, though, given the political complexion of the Government, is that in 1983 Mersey Docks achieved a £21.1m turniound to make £7.5m profit.

Local stockbroker Tilney & Co. meaking before July's dock

hoods were rulned.

He even gave shop stewards force. Something between a business cards to hand out at shudder and a wince afflicts receptions for customers—some Fitzpatrick when the Tilney

Long term, however, the market should take heed of where Fitzpatrick says the Port of Liverpool is going. This is because he predicts that Mersey Docks will not have paid back its loan stock until the end of the decade. Until this is cleared—and fi42m remain (29p on the pound has been redsemed the pound has been redeemed so far)—dividends will not be

Repayment of loan stock is two routes—either from sale of land owned by the company or from the first £1m of operating profits if liquid assets exceed f5m and profits 2250,000.
The Merseyside Development Corporation has been the main buyer of land so far, purchasing the disused south docks for in-

Fitzpatrick is going to get sale as soon as practicable. At the same time, any economic recovery, plus the new freeport status if it is marketed correctly, should boost profitability. These factors should make Maraey Docks a good long term

For "Mr Fitz" it will have to dependence on long-haul bulk prime of his life and career, trade and world economic factors, such as U.S. interest rates, over which he has no control. Management succession

How to achieve transition in family businesses

IF FOUNDERS of companies fall to lay the foundations for management succession and eventually withdraw from active involvement in their companies they run a risk of seriously prejudicing their

This is the message that comes across from a survey of major family-controlled businesses in the U.S., Europe and Latin America, The "moment of truth" for owner-operated companies is the "graderly transfer of management power from foundary to professional. management power from founders to professional, competent, specessors who may or may not be members of the family," says the survey by the Conference Board, an independent, New Yerk-based research organization.

sation. The study reported that those companies—whose sales averaged over \$100m a year. and with some exceeding librawhere an "effective disengagement" had been achieved were marked out by four factors:

1.—Control had been relinquished by founders when they were still in full command of their abilities and able to lend support and advice to new management;
2.—The founders' withdrawal from active management had been final, leaving no doubt

mitted themselves publicity to an orderly succession; 4—The founders had supervised a formal announce-ment detailing principles regarding management objec-tives, policies, strategies and accountability.

The Conference Beard sug-The Conference Beard stiggests that the transition from "rule to reign" typically involves two distinct career shifts for the founders. First, the delegation of operational tasks to others and a focusing on specific aspects of the business where they have special skills and interests (such as involvement in the creation of new products or the pursuit of mergers). Second, the withdrawal from day-to-day management and a concentration on reviewing important company decisions important company decisions and an overseing of oversell

and an overseeing of oversu-company performance.

The study also looked at the question of how a founder's heirs should best be absorbed into a company—and notes that management changes can generate "highly emotional conflict" in same business families. families

When heirs enter a family business, three strategic steps are recommended. First, a clear-cut demarcation should be made between family or ownership roles and business or managerial roles

training. The study cites a Belgian company where family members are required tamily members are required to learn four languages, earn business and engineering degrees and, if possible, gain working experience in the U.S. before joining the family company. "Inheritors, by definition, achieve their positions through birth; they do not earn them through merit. But heirs can acquire legitimacy through achievements in other institutions, where they must compete on an equal basis with many individuals."

The third step, says the Conference Board, is to provide an effective support system to deal with family members who are not equipped to carry on responsibilities in the company.

Founders of businesses, says the study, appear to agree on one pragmatic guideline; it is necessary to have helrs, but not too many. To perpetuate family control of a company, heirs are needed to inherit the business, but not so many as to dilute and ultimately paralyse their ability to manage."

From comer to professional management: problems in transition. Report 851 available from The Conference Board in Europe. 207, Avenue Louise, bte 5.5.1050 Brussels.

Management abstracts

Brand profiling. A. Carl-Zeep in Absatzwirtschaft (Fed Rep of Germany) March 1984 in German, English version avail-

Reports the findings of a rearch association which, by sterviewing consumers apropos their recall of brand charac-teristics featured in publicity, comes to a number of conclusions, eg, that if brands are not duq ,berkinguistelle vitnehilus licity costs may simply boost the market leader's sales

The director as a cultivator of management, M. L. Wetden-baum in Directors and Boards (U.S.), Winter 1984

usiness or managerial roles. Second, all heirs who move

An "outside" director dis-cusses his role and his attitudes cuses he rise and he strates towards management, maintain-ing that representing share-bolders is the primary function of independent directors; suggests eriteria of true indepen-dence, and offers advice to new appointees, especially as to tactics they should employ to ensure that management heeds their guidance

Risk management, R. D. Dillon and others in Journal of Accountancy (U.S.), February 1984. K. Kakacek in CA Magazine (Capada), March 1984

Discusses areas in which or ganesations should assess risk, advocating the design of suitable information systems and developing attitudes of mind; concludes by suggesting that accountants should pay more attention to risk management which can reduce loss and/or the cost of insurance.

These abstracts are con-densed from the abstracting journals published by Anbar Licensed copies of the original articles may be obtained at \$2 each (including VAT and p+p; cash with order) from Anhar, FO Box 23, Weighley HAS SDJ.

TECHNOLOGY

Cable television and direct broadcast satellite will ering a host of domestic information services

Japan prepares for a revolution in the home

"NEW MEDIA" is the current buzz word in Japan; "OA" (office automation) has been bypassed as the Japanese elec-tronics industry prepares for a service economy based on home banking, home shopping, video-text information services, adranced telecommunications services and local community cable.

This is the thrust of a new report* from Alex Stewart of Baring For East Securities. He warns that a head of steam is building up around home tech-nology in Japan which is likely to blow in two or three years' time: "There is nothing ad hoc about the Japanese approach and nobody there is standing

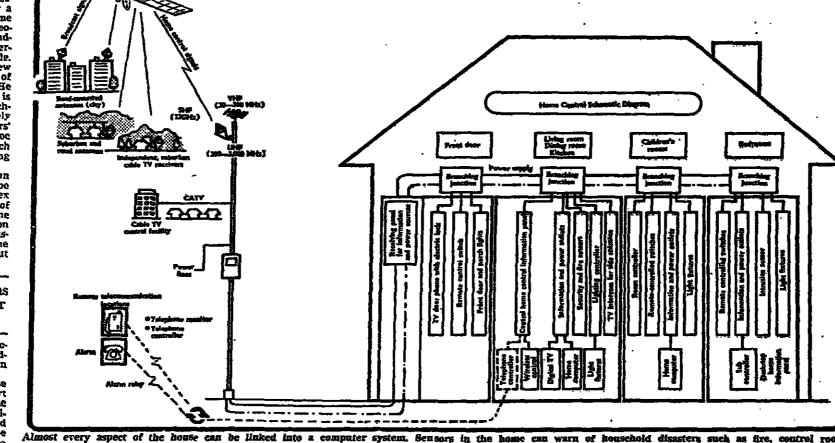
idly by."
So what do the Japanese mean
by "new media "? Cable will be
the transport medium, videotex and teletext the methods of delivering information to the home, modems and television printers will allow videotex users to communicate over the telephone lines and print out

Interactive home systems are tied together by four key technologies

It also includes home facsimile equipment, direct broad-cast satellite, high definition television and videodisc. At the domestic end of these new media are what Mr Stewart describes as "interactive home systems" (IHS), low cost termi-nals which communicate and process data and which can be linked to other equipment like displays, storage devices and entertainment systems.

Interactive home systems are based on almost two dozen separate disciplines tied together by four key tech-nologies: processing, man-machine interface, storage and display. Mr Stewart's report is chiefly concerned with how the Japanese are strengthening their hand at the leading edge of each of these ares.

the Japanese electronics com-panies adopted a standard—the MSX standard—for 8-bit home computers proposed by Microcomputers proposed by Microsoft of the U.S. through its Japanese distribution agent Ascil. The report sees this as a very significant development: "A common standard was readily accepted because it promised to generate software in sufficient amounts to support



Almost every aspect of the house can be linked into a computer system. Sensors in the home can warn of household disasters such as fire, control room temperatures and lighting levels. But services via cable and satellite can bring a host of electronic services to any home

Last October, the majority of much stronger domestic market and with an invigorated soft-

a low priced mass production number of companies including machine."

The report goes on: "With adoption of a common standard, the implications for competitors in markets oversess is potentially immense.

"Hitherto, Japanese companies, with the exception of Sharp, NEC and Sord, posed little threat. Now, however, they will be able to operate from a much stronger domestic market."

Mitherto, Japanese companies, with the exception of Sharp, NEC and Sord, posed little threat. Now, however, they will be able to operate from a much stronger domestic market.

Mr Stewart, therefore, takes a much more springs which can be mouse-controlled and with an invigorated software which enables the and with an invigorated software industry to support them."

Mr Stewart, therefore, takes a much more springs with the most of a finger tracing which can handle video images, which can be enapped adata.

At present they are also limited by the fact that they can be into a fold-away case, is potentially immense.

Sharp is the first company in Japan to sell a mouse-controlled microcomputer which also portable devices us the wrist watch telephone whose face would serve both as a dialler and with an invigorated software which enables the serven industry to support them."

Mr Stewart, therefore, takes a much more springs which can handle video images, committed by the fact that they or once this hurdle

and a display."

A display technology which ing power ("IBM-like dedication," he says), Toshiba because it is well rated in all the IBS each of computing applications is evolving from conventional magnetic media to white pointing out that there is asser beam is used to "write" a pattern of binary digits into the metal-covered surface of a not rage disk.

The report notes that disk sective home system."

A display technology which ing power ("IBM-like dedication," he says), Toshiba because it is well rated in all the IBS technologies, Ploneer because of its skills in video, Fujitsu, the plenty of life in the old tube Gakki for software skills and its ability to find noval consumer applications for its chip expertise.

Measurement

Quality inspection control

THE PROBLEM of dealing with streams of readings from hand-held micrometers and calipers in inspection and quality control departments is made much easier with the Cadar system from Moore and Wileit.

The company's electronic dicrometer Micro 2000 or the metronger metro 2000 or the R3980 caliper are connected via an interface hox to an Apple 2E microcomputer with two disc drives, complete with Epson FX80 computer,

Epson FX80 computer,
Cadar allows batch sorting
by intelligent display, with
visual indication of high and
low deviations from a set
tolerance. Readings can be
instantly converted from
millimetres to inches and a
"mini-maxi" facility records
highest and lowest readings
in a batch. All the readings
are stored and can be
retrieved or printed on
demand.

Kach reading as it is taken is enlarged for easy viewing on the screen. Standard deviation, control charts, distribution histograms and similar data can all be displayed and printed out. The system is available from Neill Tools, Sheffield (9742 71281),

Automation

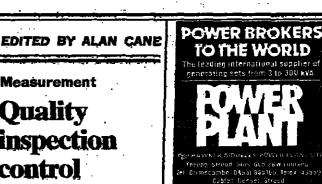
Guided vehicles

THE AUSTIN-ROVER Group hat opted for an automated guided vehicle system instead of conventional conveyors at its new Rover 200 production

Six microprocessor-controlled car body transporters have been installed by Wagner Indumat Systems

The AGVs carry body shells from the end of the robot welding line to a 616 metre finishing track. The vehicles are guided by a magnetic-field generated by a wire buried in a shallow groove in the floor

In addition, bodies are delivered and retrieved from a buffer store as necessary to maintain production and assembly rates. The whole



Accounting

Financial controls

CYBERSOFT has launched a business system casting £890 which includes accounting financial reporting, spreadsheet forecasting lob costing, stock control, modelling and payroll functions.

The "Accountant" software uses artificial intelligence techniques and is aimed at a range of small businesses. It runs on the Apple range of microcomputers and has a capacity of 1,000 accounts. More details from Cybersoft Intelligent Systems in Canterbury on 6227 60456.

Section of the sectio

Vending Checking banknotes

LANDIS & GYR has developed a hanknote verifying system for incorporation into vending machines that accept relatively large sums of money, such as ticket vending devices at railway stations.

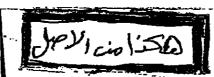
Called the SN3, the system deploys a colour testing unit that is able to inspect a wide variety of banknotes of various gizes and dimensions. It shines light of selected colours on to specific areas of the note and check the parameters of the reflected energy. energy.

The machine accepts notes one by one to a value determined by the vending portion of the system. It then holds the total transaction of banknotes in an intermediate store unless it detects a bad note, in which ease the yending unit is alerted. A near 100 per cent acceptance rate for genuine notes is claimed.

The notes subsequently are transferred to a locked cash box, or can be returned to the customer if he aborts

the transaction.

Trouble free transport even of worn or crumpled notes is ensured by means of a newly developed belt transport system. More on 01-992 5311.



Patiently waiting for a real revival

glamour, then the next four months will need to be as spectacular as the last few have been soporific. The chances of that happening would appear to be as remote as a reverse take-over of Land Securities by

For although property's per-formance has recently been improving (in its own right as well as in relation to other investment options) it is proving to be a very half-hearted affair; ere remain few grounds for believing that the sector is developing characteristics likely to spark off a widespread return of onfidence and cash.

Direct investment activity, as the FT-RICS poll illustrated last week, remains cautious and in-creasingly selective, with those investors in the market chasing a narrowly defined range of pro-perty (including some second-ary opportunities) and driving down yields to levels which, in he eyes of an innocent, appear inrealistic.

With retail yields reportedly down to 31 per cent, the shops sector remains the undisputed derling of the property market, though whether or not its popularity stems from its inherent attractions or rather the bleak prospects held out eisewhere is far from clear. If shop rentals have found it tough going durbooms of recent years, who is to put say when the rush to shovel up an

assumptions of future growth, aware that investment in new themselves based on historical buildings is a much more risky

performance. When the growth arrives, so will the justification for such low initial returns; if they are large enough to take it fails to materialise, then on the additional risk, funding there will be no shortage of awkward questions.

The initial returns, if they are large enough to take it fails to materialise, then on the additional risk, funding there will be a significantly higher return. Vaughen adds: It is something of an irony

that, having been instrumental in driving down yields to such low levels, the institutions are increasingly faced with the prospect of financing new buildas the only way to generate the level of return they require from properties of suitable

Colin Vaughan, a partner at Debenham Tewson & Chin-nocks, the surveyors, has been looking at changes in the invest-ment market and points out that investment in new build-ings grew from 34 per cent of the institutions' direct invi ment in UK property during 1979 to 50 per cent by the first half of last year.

Domination

The process is likely to have gathered pace since and it follows that institutional domination of the market will, if

nation of the market will, if anything, intensity.

Vaughan says the tendency for pension funds and insur-ance companies to "do their own thing" would appear to put the traditional developer at increasing disadvantage

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business than the buying of completed properties, but where It remains to be seen whether the institutions will really have the stomach to take the high level of risk in development in anything other than a firm up-

ward trending market."
"Upward trending" the current market may well be, though
it can hardly be described as uniuniversaly firm. No one is underestimating the importance of the London property market and its significance as an indicator of what might lie ahead elsewhere, but even here the "revival" is patchy and the type of rental growth so far achieved is well below the levels required to overcome the recent bout of longed stagnation. As for the st of the country, it still seems to be politely ignored in any dissertation about a property

market recovery.

The latest indices on the mar-

IF 1984 IS TO BE the year shops into the portfolio will pay when UK property investment off?

"unless there is an acceptance of the role of project manager shrugs off its tarnished image and regains some of its old are clearly carried out on The funds, of cours, are well and is in contrast to comparate teristics in the market place.

"unless there is an acceptance of the role of project manager continued improvement in letting and investment markets are clearly carried out on The funds, of cours, are well and is in contrast to comparate teristics in the market place. able indices on returns for equities and gilts, both of which fell in the second quarter of

> value for shops in the year to June rose by 5.3 per cent, with the JLW portfolio yield running at 4.3 per cent. The offices sector managed a 2 per cent rental rise and was showing an average 6.3 per cent yield while rental values for industrial space moved forward by 1.7 per cent, with a marginal weakening in the sector yield to 9.3 per cent.

Low return

The returns are hardly spark-ling and JLW revives the "balanced portfolio" argument to promote property as an in-vestment option. They point out that gilt and equity mar-kets can fluctuate sharply as they react to short-term changes in interest rates and confidence and point to property as a way of minimising "ti overall volatility of returns."

tauest indices on the market's performance come from and equities have tended to Jones Lang Wootton, who report a more encouraging research. move in tandem it is necessary to include in the portfolio an investment which will not be a more encouraging perfortion include in the portfolio an mance for both rental and capital growth, with the latter making most of the running.

The JLW property index of investment which will not be subject to the same short term movements. Direct property investment without the gearing overall performance was up by some subject to the same short term movements. Direct property investment without the gearing overall performance was up by prevalent in equities and the price sensitivity to interest in the previous year). The stock is a useful component."

It is clearly stil hard for the property practitioners to be bulish about their stock-in-trade and the share market now In detail, the estimated rental appears to believe that, for the time being prices have gone quite high enough.

> As Scrimgeour, Kemp-Gee, the stockbrokers, pointed out this week, the sector has developed something of a block against moving below a 20 per cent average discount. According to their calculations, a historic low of 10-12 per cent in 1979 proves that 20 per cent is not a concrete barier when the market expects significant growth in asset values.

> But things were different then, with high demand pushing up most rents and capital values and with net asset values rising by an average 30 per cent-plu in just 12 months. Now, there is no impression of an impending boom and any repeat performance of the asset value growht of five years ago looks remote. But then, in property, patience can be a necessity as well as a virtue.

 Silverstein Properties, the Manhattan-based developer, has paid \$20m for the entire block bounded by 41st and 42nd Street from 11th to 12th Avenues. Silverstein intends to develop up to 2m sq ft of on the 160,000 sq ft site.

A Liverpool hit for **Royal Life**

ROYAL LIFE has wasted no time in finding tenants for all 30 shop units in its Cavern Walk development in Liverpool. The £9m scheme is on the site of the former Cavern Club

in Mathew Street, birthplace of the Beatles, and has already been dubbed a tourist attraction by the English tourist board. St Quintin have signed up a long list of local and national

tenants, including Benetton, Next and Laura Ashley. The total initial rent roll is over £200,000 a year. The agents say the lettings have been achieved rapidly and involve top quality covenants in a development which has provided Liverpool with a new retail heart.

Cavern Walks has sparked off a localised regeneration which, so far, has seen the opening of two public houses, three restau rants, four boutiques, a craft centre and a dance studio.

St Quintin and local agents HH and J Robinson are seek office building above the shopping centre and want £400,000 a year in rent. Given the state of the provincial office market, this particular element of the development may prove some-what harder to fill

what harder to fill.

• National Freight Consortium pension fund is to forward fund a 20,000 sq ft office scheme in South Street, Dorking. The £21m scheme should be complete next summer. Strutt and Parker are letting agents

Sale paves way for City offices plan

LONDON & METROPOLITAN
Estates has applied for planning permission to develop
...260,000 sq ft of offices on the
site of the former Britannic
House North complex in the
City of Landon City of London. London & Metropolitan, the

joint development company owned by London & Edin-burgh Trust and Balfour Beatty, confirmed this week that it is paying \$20.5m for the freehold of the former British Petroleum building in Repenaker Street EC2, conditional upon receiving planning consent. The vendor is Baranquilla Investments, part of the Grenada Group. Realey & Baker and Baker Harris Sannders acted for Baran-quilla and Hillier Parker represented L & H. The development should be com-pleted in early 1987.

• Prudential Assurance is to spend 25m on modernising its

Uxbridge town centre shop-ping development, following last year's film purchase of a 150 year lease on the scheme. Work should be conscheme. Work should be com-pleted by October 1985.

Bradbury Wilkinson, the security printers, are to develop a new head office building for their banknote division at New Malden. Surrey. The company is selfing the headquarters site to Trafalgar House and leasing back 2.6 acres of the land, which will accommodate the which will accommodate the new 42,000 sq ft building.

(Projects) is to redevelop Dover's historic Market Square at a cost of £15m. The scheme will include 148,000 sq ft of shopping space in a covered mall; car parking and a refurbishment of the old Market Hall facade. Work should be complete in late

 After seven years of negotiations, C & A has purchased a new store site in Bordeaux. south west France. The fashion chain had to wait until the existing octupiers, a newspaper group, csuid vacate the premises at Rue Porte Dijeaux and now plans to construct a \$4,000 sq ft department store, C & A, who were represented by Edward Erdman, paid just over £500,000 for the site.

The NAAFI pension fund has let its new 6,008 sq ft coffice building at Penrhyn Road, Kingston, to Surrey County Council at a rest of 58.85 a sq ft. Lambert Smith and Bonser Penningtons were agents.

• Imry Property Holdings has let its 13,000 sq it office development at 267 Gray's Inn Road, London, to the borough of Camden. Collins Velleman and Druce were asking £130,000 a year rent and the tenants were introduced by D. E. and J. Levy.

Et.

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01-736 5000

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With or without an existing part-follo. Only companies with usable tax losses in excess of 51m would be considered. Cash or equity is available to suit vendors own requirements. Vrite Box 76112, Financial Time 10 Cannon Street, EC4P 4BY

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Company Notice

Offer to shareholders of unrestricted ASEA "A" shares

The 1984 Annual Meeting of ASEA AB approved a resolution that shareholders of unrestricted "A" shares should be offered the right to exchange these shares for unrestricted "B" shares. Shareholders wishing to take up this offer shall submit between September I and October 31, 1984 to one of the offices of September I and October 31, 1789 to one of the offices of Skandinaviska Enskilda Banken their share warrants for unrestricted "A" shares and a filled-in application according to the form sent separately. The Bank will then issue a receipt for the shares received. After the necessary processing time at the Bank and the Swedish Securities Register Center (VPC), share warrants will be issued for the same number of unrestricted "B" shares, on surrender of the Bank's receipt.

Shareholders living outside Sweden may send their share warrants either direct to Skandinaviska Enskilda Banken in Stockholm or via one of the following banks, for transfer to the Swedish Bank: United States: Citibank NA, PO Box 4683, New York, NY 10043 Great Britain: Enskilda Securities, Skandinaviska Enskilda Limited, 26 Finsbury Square, London EC2A IDS

In connection with this exchange shareholders in the United States may convert their "B" shares to ADRs with the assistance of Cicibank.

Västeros, August, 1984

THE REPUBLIC OF PANAMA UA 20.000.000 84% 1978/1993 BONDS NOTICE IS MEREBY GIVEN to Bond-holders of the above mentioned loan that the principal amount redeem-able on October 2, 1924, Le. UA 1,000,000. has been bought in the market by the Republic. Amount outstanding: UA 19,000,000.

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ed Floating Rate Deposit Notes Que 1987 Guaranteed by THE REPUBLIC OF AUSTRIA

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PRIYREDNA BANKA ZAGREG U.S.SSQ,000.000 FLOATING RATE NOTE DUE 1986 ("THE NOTES")

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will be CLOSED for TRANSFER and
REGISTRATION from 17th to 28th
September, both days inclusive. By Order of the Board H. J. McTURK, Secretary

NOTICE TO HOLDERS OF NOTES OF THE ISSUE 84% 1977/1989 OF U.S.530,000,000 MADE BY THE EUROPEAN COAL AND STEEL COMMUNITY

The Commission of the European Communities andounces that the admust installment of Notes amounting to U.S.53.000.000 has been purchased for redemption on Cotober 1, 1964. Amount outstanding on and after October 1, 1964. THE GENERAL ELETRIC COMPANY

6% UNSECURED LUANT STANDARD TO THE Register of Stockholders of The General Electric company of the Control of t

Legal Notices

6% UNSECURED LOAN STOCK 1979/84

SENNAH RUBBER COMPANY PLC

NOTICE IS HEREBY GIVEN that the
SEXTY-Seventh Annual Druleary General
Meeting of the company will be held at
Arenus Guillaume, 4. Luzembours, on
Turaday 25th Sebtember 1984, at 12.00
noon to receive the Directors' Report and
the Accounts for the year ended 31st
December 1983; to declare a dividendly
and etc. the company.

The Dividend recommended by the
Board is of 35p per 51 share (gross)
and, if approved at the Annual General
Meeting, will be payable on 3rd October
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To bear must be presented through an
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658, for paymont on or after 5rd October
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mentaged in advance from the tank if
dividend; are being claimed from the
London Paying Agents without sequention
of United Kingdom tax for non-readerts,
the coulous manual to a companied by
affidavits.

P. Order of the Board. SENMAN RUBBER COMPANY PLC

WC1R 4LJ. Every member entitled to attend and vote at the above mentioned Meeting is entitled to appoint one or more prosted of this and and, on a poll, which and any such prosv deed not also be a Member of the Company.

BV Order of the Board. INDUSTRIAL AND FINANCIAL SECRETARIAT LTD. SECRETARIAT LTD.

Contracts and Tenders

INVITATION FOR PREQUALIFICATION



THE THAI OIL REFINERY COMPANY LIMITED **SECOND EXPANSION PROJECT**

The Thai Oil Refinery Company Limited (TORC) is expanding its refinery at Sriracha, Thailand, by the addition of new process units (including a hydrocracker), offsites, utilities and revamp of existing plant.

TORC wishes to establish the interest and capabilities of international contractors in undertaking this major project. The contractor's scope will include detailed engineering, material supply and construction on a lump sum basis. The contractor will also be required to arrange the finance.

A package containing prequalification requirements and information on the project will be available to enable contractors to prepare preliminary proposals for undertaking this work. Contractors who are interested in undertaking this project and in receiving instructions on how to receive the prequalification package are invited to contact TORC by telex (telex nos. 82695, 84095 TORCTH) for the attention of Director General Manager with copy to Project Managing Contractor, Foster Wheeler in UK (telex 849171 FWRDG) for the attention of Mr T. W. B. Waugh, Project Director.

Before receipt of the prequalification package contractors will be required to give a confidentiality undertaking. There also will be a non-refundable charge of US\$5,000 for the prequalification package.

Interested contractors should respond to this advertisement by 5th September 1984 to facilitate the issue of the prequalification package.

> The Thai Oil Refinery Company Limited, Sarasin Building, 6th Floor, 14 Surasak Road, Bangkok, **THAILAND**



COMPANHIA VALE DO RIO DOCE

BRAZIL CARAJAS IRON ORE PROJECT INVITATION TO BID

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CVRD received a loan from the international Bank for Reconstruction and Development (World Bank), towards the cost of Carajas Iron Ore Project and intends to apply the proceeds of this loan to eligible payments under the Contract for which this invitation

Participation in this Bld is limited to Suppliers established in all member countries of the World Bank, as well as in Taiwan and Switzerland.

The instructions, specifications and forms which comprise the Bidding Documents will be available upon a non-refundable payment of US\$100 (one hundred dollars) or the equivalent in other countries, at the following address:

COMPANHIA VALE DO RIO DOCE

Superintendência de Compras e Material — SUMAT Rua Santa Luzia, 651 — 31º andar CEP: 20030 — Rio de Janeiro — Rj

Telex (021) 23205, (021) 21975 Sealed Bids will be received at the above mentioned address, until October 30, 1984 at 2.00 pm. Rio de Janeiro time. Each Bid shall be accompanied by a Bid Bond for the amount of US\$400,000 (four hundred thousand dollars) or the equivalent in other currencies. Rio de Janeiro, August 31, 1984.



PURCHASES AND MATERIAL SUPERINTENDENCY

THE ARTS

Noisea Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blake-more's brilliant direction of back-

stage shenanigans on tour with a third-rate farce is a key factor

osyland, Star Wars and Cats are all

ble's resplendent production.

West Side Story (Her Majesty's): Clas-sic musical returns to its original

London home with a fresh young cast of good singers and dancers. The thrills and spills of Bernstein's score and the Robbins choreography remain breathtakingly intact. (9306806).

(6288795).

es. Pastiche score node towards rock, country and hot gospel. No child is known to have asked for



Theatre

Easter Class (Eisenhower): David Pownall's thoughts on tyranny and artistic freedom as filtered through the gaune of Stalinist Russia starts its American run at the Kennedy iter. Ends Oct 20. (254 3670).

Quilters (Terrace): Based on American pioneer women's descriptions of their work in making quilt blankets, Molly Newman and Barbara Damashek's musical arrives in Washington between its modest origins in Denver and its ambitions for New York in autumn. Fore Sec. 16. Key. York in autumn, Ends Sept 16, Ken

Wozn Albert! (Kreeger): The jumbo jet arrival of the Lord into Jchannes-burg is the implausible context in which two remarkable actors. Perc which two remarkable actors, Percy Mtwa and Mbongeni Ngemo, reveal what looks like the whole gamut of the sad, funny and pathetic life of South African blocks. Ends Oct 7. Arena Stage (488 3300).

Zorba (Opera House): Anthony Quinn makes the theatrical produc which co-stars Lila Kordova and gets a rousing lift from the bouzouki score by John Kander and Fred Ebb, directed by the film's director, Michael Cocoyannis. Ends Oct 14. Kennedy Center (254 3770).

Opera and Ballet Franco Bonisolli as Cavaradossi. Othello is directed by Guiseppe Pa-

English National Opera, Coliseum:
The opening performances of the
ENO season are given over to revivals of The Flying Dutchman (an exciting, though often questionable,
David Pourtney production particularly notable for Josephine Barstow's passionately gripping Sental
and of ENO's deathless Barber of
Seville, with Della Jones, John
Brecknock, and Alan Opie back in
their familiar leading roles.

Berlin, Deutsche Oper: The week starts with Aida, sung in Italian, with Julia Varady in the title role and Carlo Cossmitta as Radames. Manon Lescaut has Charles Vander-zand making his debut as conductor zand making his debut as conductor in Berlin. The cast includes Pilar Lorengar and Vasile Meldoveanu. Die Luctigen Weiber von Windsor features Norma Sharp and Helmut. Berger-Tuna in the leading parts. Lucia di Lammermoor is a Philippe Sanjust production and has Lucia Aliberti in the title role. The Magic Flute rounds off the week (34 381) Hamburg, Staatsoper: Der Barbier von Sevilla is finely interpreted by Rachel Joselson and Ude Krekow. Arabella is of respectable standard.

Arabella is of respectable standard with Judith Beckmann in the title role and Franz Ferdinand Nentwig

ITALY

Venice: Amid continual justified com-plaints about the impossibly short and inconvenient opening hours of most Italian museums and art gal-kries, the Guggenheim Collection, from having been one of the least accessible, has become the most -and will come he come of the

and will now be open every day (except Tue) from 12 to 6pm (also Sat from 6 to 9pm free of charge). The

Saturday evening opening is the re-sult of an agreement between the Solomon Guggenheim foundation of New York and Montedison.

historical section of Venice's Bio

nale offers a huge and splendid col-

lection of painting, sculpture, furni-

Exhibitions

in the part of Mandryka. Tosca, pro-duced by Jean Pierre-Ponnelle, has Eva Marton in the title role and

VIENNA

tané. (351 151)

Staatsoper: Tosca conducted by Kulka with the Vienna Boys Choir; Madame Butterfly conducted by Kulka. (5324/2855)
Volksoper: Die Fiedermans conducted by Bauer-Theussi, Wiener Blut conducted by Rudolf Bibl. (5324/2857). TOKYO

Shenshi Singing and Dance Troupe (China): (National Theatre). Pieces from the Tang dynasty (618-902 AD) which influenced Noh and Kabuki and their precursors, Gagaku and Gigaku (5800031).

NEW YORK

New York City Opera (New York State Theater): The premiere of Lotfi Mansouri's production of The Mikado conducted by David Stahl with Elizabeth Hynes and Bruce Reed highlights a week that also includes Mansouri's production of La Rondine and Frank Corsaro's productions of La Traviata with Leigh Munro, Rigoletto conducted by Mark Flint and an evening of Caval-leria Rusticana and Pagliact con-ducted by Klaus Weise. Lincoln Cen-ter (870 5570)

Sept 30. Venice: Palazzo Ducale: The Treasures of the Pharaohs – a rich and fasci-nating exhibition of more than 60 works (lent by the Carro Museum) – covering over 3000 years, and containing an enormous variety of ob-jects from mundane things such as combs and cooking pots to the con tents of Tutankha End of December.

Livorno: Villa Maria, Via Calzabigi 54: Amedeo Modigliani (1884-1920), was better known as a painter, but this exhibition, which marks the centen-ary of his birth here, has as its focal point four of the few remaining sculptures by the artist (one from the Tate Gallery, one from the Pompidou centre and two from the U.S. Until Sept 9. Open 10.00am to 7pm (Closed Mon).

and the stars are Ugiow, Freud, Au-erbach, and Kossoff most of all,

PARIS

Musée de l'Orangerie. The Jean Wal-ter and Paul Guillaume collections are now permanently exhibited in

the newly restored Orangerie muthe newly restored Urangene mu-seum - the pendant to the Jeu de Paume. The museum houses 144 works from Impressionism to the 1930 period. Renoit is richly repre-

1930 period. Remoir is richly repre-sented with 24 of his paintings – among them the well-known Young Girls at the Piano, Cezanne with 14 paintings, Matisse with 11. The pub-lic will be delighted to be able to view again Douanier Rousseau's Worlding Parky and The Cart. Pices.

Wedding Party and The Cart, Picas-so's Women Bathing and other fa-vourites. Musée de l'Orangerie, Met-

ro Concorde, 9.45am - 5.15pm,

ro Concorde, 9.45am - 5.15pm, closed Tue (2659940). Se Kooning - to celebrate the 80th birthday of the pioneer of abstract expressionism. Beaubourg presents a retrospective of 80 paintings, 100 drawings and seven sculptures, showing the astonishing facility with which the Rotterdam-born artist changed styles during his long

ist changed styles during his long America-based career from lovely

portraits, to nudes, and to abstrac

Centre George Pompidou, closed Tue. Ends Sept 24 (271 1233). Marc Chagall - to celebrate the 97 years of the artist, whose paintings have lost nothing of their poetical

magic. The floating figures remain-ing dreamlike, the jewel-like colours

ture and pottery dating from the Viennese Secession. This was the Viennese version of Art Nouveau. LONDON The Tate Gallery: The Hard-Won Image – this summer's sequel to last year's New Art – is a personal surwhich began as a splinter-group formed by Gustav Klimt in 1897. The exhibition includes Klimt's year's New Art - is a personn survey by Richard Morphet, of the Tate, of British figurative painting and sculpture from the late 1950s to the present. It is a useful and even important show, for it makes the point almost in spite of itself that enormous Beethoven frieze, and the poster advertising the sccessionist group's first showing in 1896 - then considered scandalous, but which led to Whistler's nominating him a member of the Society of Painters, point almost in spite of itself that figurative art, far from being revived in recent years, never actually went away. The strength in depth of our figurative artists in this period is indeed gratifying. Bacon and Moore are the presiding masters; Hockney, Kitaj (honorary Engishman as it were). Andrews, Blake all predictably, and rightly included; Symons, Greenham, Collins, Weight Harman and Lessone Sculptors and Engravers of London. Also works by Oskar Kokoschka, Egen Schiele, Hoffmann, Mackintosh and the Glasgow School. Ends Sept 9. enice Biennale: The Venice Biennale Weight, Harman and Lessore brought into deserved prominence;

is up and running for the summer in the Giardini di Castello and at var-ious places around La Serfinissima, the usual melange of the fascinat-ing, the excellent and the frightful from what the present has to offer across the entire range of contemorary art, with the spectacular bo-ius at the Palazzo Grassi of the most comprehensive examination one could wish for of the work of all gardens come the large central exhi-bitions: Arte, Ambiente, Scena; and omions: Arte, Ambiente, Scena; and Arte allo Specchio; two sparwing but more coherent shows than usual that focus especially upon current proccupations with art historical d mythological reference. Young er blood is consigned to Aperto 84 that fills the old Salt Warehouses on the Zattere. And there are, of course the national pavilions scat-tered through the gardens, with their particular offerings: Howard Hodgkin for Great Britain, Penck and Baumgarten for West Germany, Clave for Spain and Dubuffet for France outstanding. Ends Sept 30.
Florence: Palazzo Vecchio: The Horses

of Leonardo: 59 studies of horses and other animals, chosen from the 92 relating to this subject from the Queen's Collection in the Royal Library at Windsor. These drawings form only part of Leonardo's output, which covers every aspect of human activity, of nature, and of science. Like many of the Italian humanists be considered the horse a subject of attention second only to man. The exhibition includes ten of Leonar-do's studies for The Battle of Anghiari, with their terrific force and vitality. Many preparatory sketches for mostly-unrealised projects and eads with his allegorical drawings

NEW YORK

Romeo and Juliet: Joseph Papp's otace and Juliet: Joseph Papp's Shakespeare Festival is performing in the city parks this year the River-side Shakespeare company's ver-sion of Hearthreak in Verona, All sion of Heartbreak in Verona. All performances free with the encour-agement of bringing a blanket and picnic. (377 8810). andsy in the Park with George (Booth): Not your conventional mu-sical. Stephen Sondheim's latest is

an inspired pairing with director and playwright James Lapine to bring George Seurat's painting to life, with Mandy Patinkin as the painter and Bernadette Peters as his imagined girlfriend, Dot. (2396262).
Cats (Winter Garden): Still a sellout,

Trevor Nunn's production of T. S. Eliot's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality.

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the 30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between down to the confrontation with his doting Jewish mother. (944 9450).

Dreamgirls (Imperial): Michael Ben-Dreamgir's (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female popgroup, a la Supremes, without the quality of their music. (239 6200). Note: (16th St.): Two dozen women surround Sergio Franchi in this Tonyaward winning musical version of the Fellini film 8%, which like the

original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246). On Your Toes (Virginia): Galina Panowith presumably a genuine Rus-n accent leads an exuberant cast ya with presi

in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original by George Abbott.

Cats (Cats Theatre): The special tent theatre, excellent set, good dancing and Kabuki-derived movement make the Japanese version worth seeing. Shiki Company, directed by Keita Asari. (320 1001).

Little Shop of Herrors (Comedy): Campy off-Broadway Import which is less good than The Rocky Horror Picture Show but which has a curi-

Picture Show but which has a curious charm and an exotically expanding man-eating prickly plant (3302578).

Tack of Lies (Lyric): A decent, enthralling play about the breaking of 1959-60. Hugh Whitemore's script cleverly constructs a drama about betrayal from the friendship of neighbours. The story is based on fact and well directed by Clifford Williams (4373686).

tact and well directed by Clifford Williams, (437 3868). The Real Thing (Strand): Jenny Quayle and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143). Datay Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels; gym slips, hockgela Brazil novels: gym slips, hock-ey sticks, a cliff-top rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592).

lean-Louis Haguenaner piano: Proko-fiev. Debussy, Moussorgsky (Tue, 6.30pm). Sorbonne, Metro Luxem-

tooling. Smith, Theorbo, Wieland Kuilken, viola de gamba. Frescobaldi, Simpson, F. Couperin (Wed 8.30pm). Musee Carnavalet, 23 Rue Sevigne, Metro Saint-Paul.

Ars Antique de Paris - One hour of Troubadour and Elizabethan music and Spanish cancionero (Mon, Wed, 6.45pm and 8pm). Sainte Chapelle, upper part with its glorious medi-eval windows. Bookings 3495517 and on arrival.

Vienna Holgurb Orchestra conducted by Gert Hofbauer. Viennese Waltzes and Operetta at the Hilton Hotal (Tue). Marek Kudlicki, organ. St Stephens

Cathedral (Wed).
Hans Nest, piano. Chopin and Liszt.
International Culture Centre, Anna-

WEST GERMANY

Berlin, Philharmonie: Boston Symphony Orchestra, conducted by Setji Ozawa with cellist Yo Yo Ma, Brahms and Strauss (Wed, Thur).

as mysterious as ever, there are, until the beginning of October, three simultaneous Chagall exhibitions. 200 works on paper – drawings and gouaches are being shown at the Centre Georgies-Pompidou, Paris (277 1233). 85 paintings at the Fondation Maeght in Saint-Paul-de-Vence (93 325163), and stained glass, sculptures and mosaics at the Muste Message Biblique in Nice. (93 817575).

NEW YORK

Museum of Modern Art: After being virtually closed for three years of renovation, the museum has a chance to show the depth and breadth of its considerable collec-

breadth of its considerable collec-tion. No longer is it a boutique of the modern classics but more like a de-

modern classics but more than a be-partment store, with double its pre-vious exhibition space and room for such examples of modern design as

such examples of modern design as a whole helicopter.

Guggenheim Museum: 85 sculptures and works on paper from the permanent collection cover Degas to Calder, and include Arp, Brancusi, Glacometti, Modigliani, Moore and Miro. Ends Sept. 9.

Whitney Museum: Thomas Eakins, Eastman Johnson and George Caleb Bingham are represented among the 22 works illustrating the theme, The Art of Music: American Paintings & Musical Instruments 1770-1910, with its portrayals of American life as well as antique instruments like minstrel bones and melodeon. Ends Sept 19.

Düsseldori. Hetjens-Museum, 4 Schul-

stresse: To commemorate its 75th anniversary the museum, specialis-

ing in china, ceramics and glass as

forms of art, is showing 400 ceramic vessels, sculptures and objects from the last five years. Ends Sept 18. Mundeh, Haus der Kunst, I Prinzregentenstrasse: Paintings, sculptures and graphics from the last two years. No 500 artists living in Worth

years by 500 artists living in West Germany, Ends Sept 16. Serlin, Banhaus-Archiv, 14 Klin-

gelhefer Strasse: The second part of an exhibition series dedicated to

Wassily Kendinsky. This sequence has works from the painter's Rus-

sian and Bauhaus years between 1915 and 1933. It also contains pic-tures by some of Kandinsky's con-

tectura designs, graphics and pho-tographic documents by Friedens-reich Hindertwasser, a contempor-

ary artist Ends Sept 22.

platz: Ginter Gress, one of the lead-

Here he :hows more than 225 draw-

ings, scuptures and print graphics which he has created since 1958.

Miceshehn, Roemer und Pelizaeus-Museum, 1–2 Am Steine: Max King-er (1857 o 1920), the peinter and sculptur bun in Leipzig, has been celebrated as East Germany's answer to Albrecht Dürer. This im-

Ends Sep. 9.

tion in another artistic field.

ing Gernan writers, also comma

strasse: Roughtly 100 archi-

temporaries. Ends Sept 23

odar, Mönchehaus Museum, Mönchestrasse: Roughtly 100 -

Music

(437 6834).

ensia Scott soprano: Recital accom-panied by Thomas Fulton, Kan-i Ho-ken Hall (Thur). (331 4461).

London Symphony Orchestra and Chorus conducted by Richard Hile-kox with soloists including Felicity Palmer, Felicity Lott and John Shir-ley-Quirk. John Taverner and Yaughan Williams. Royal Albert Hall (Mon). (3899465).

Royal Philharmenic Orchestra conducted by David Coleman with Leland Chen, violin and Philip Gammond, piano. Smetana, Bizet, Tchailovsky, Litniff and Ravel. Barbican Hall (Mon). (538 8391).

BBC Symphony Orchestra conducted

BBC Symphony Orchestra conducted by Mark Elder and Thea Musgrave with Michael Collins, clarinet. Rachmaninov, Thea Musgrave and Brahms. Royal Albert Hall (Tue). cottish Chamber Orchestra conduct-ed by Wilfried Boettcher and Peter Maxwell Davies with Aifred Bran-del, piano and Neil Mackie, tenor. Mozart and Maxwell Davies. Royal

CHICAGO

Ravinia Festival: St Paul Chamber Or chestra Pinchas Zukerman conduc chestra Frincias Zutarman custome tor and violin, Michala Petri record-er. Handel, Sammartini, Vivaldi Handel, Bach (Thur). Highland Park (7284642).

Democratic Republic, The Federal Republic and Austria. Ends November 4.

ist - with the help of an exhibition comprising more than 300 of his works on loan from the German

sures of Dusseldorf Art Muse A cross-section of German artistic development throughout themine teenth century. Prussian eastles to a louche but inviting beer-hall and many scenes from everyday life. Calm and prosperous family groups hang amid other portraits and land-centes that are melastic require or scapes that are majestic, moving or even witty. Kunstlerhaus, Vienna, Ends Sept. 30.

INNSBRUCK

"The Tyrolean Nation 1789-1820":
Prints and paintings illustrate the
Tyrolean peoples' fight against Napoleon and their fruitless struggle
for nationhood under their charismatic leader Andreas Hofer. At the
Tyrol Provincial Museum, Innsbruck, until 14 October.

METHERLANDS

The Kreller-Muller Museum, set in woodland at Otterlo, between Utrecht and Arnhem, effers a special opportunity this summer to see the museum's complete collection of 274 Vincent van Gogh works together for the first time. The museum also has fine nairtings and symbius so has fine paintings and sculpture by some of the most famous artists of the century, including Picesso and Braque.

TOKYO

New Stone Age Earthenware from Shiono collection: 300 items of pottary from the Jomon period (about 4000-250 BC). The important collection tion is mainly from excevations in Tama, Tokyo Suburbs. Tokyo Na Tama, Tokyo Suburts. Tukyo National Museum, Ends Sept 16.

Historic Chinese Ceramics (from the Shenghai Museum of Art). The Seibu Museum has 95 important ceramic pieces from the Neolithic Age (4100-2300 BC) through succeeding dynasties to Qing (1736-1895 AD). The former is represented by an elegant and refined openwork stem cun in black and covered jar with incurs of the stem cun in black and covered jar with ingant and refined openwork stem cup in black and covered jar with incised pattern: the latter by the more familiar Ming blue and white. There is an emplisite Ging vase with closely painted motifs, an elegant white stem bowl with fruit design and a wonderful cross-section of Chinese ceramic masterpleces, the yield of recent excavations. Selbu Depart-ment Store, Ikebukuro, Ends Sept 5. Jean-François Millet: The Boston Mu-

seum of Fine Arts whose collection of Millet exceeds that of the Louvre ends 65 works by the French pre-impressionist (1814-1875) known for his scenes of peasants and land-scapes. The highlight of this exhibi-tion is a photo panel of his earlier Captivity of the Jews in Babylou discovered by X-ray under his later Young Shepherdess. Takashimaya

Comfort and Joy, directed by Bill Forsyth Under the Volcano, directed by John Huston

The Karate Kid, directed by

(359 588).

tarlight Express (Apollo Victoria):

Andrew Lloyd Webber's rollerskaiing folly has 10 minutes of Spielberg
movie magic, an exciting first half
and a dwindling reliance on
indiscriminate rustling around. Disreviend Star West and Cote are all John Avildsen Purple Rain, directed by Aibert Magnoli

I am blessed - or cursed -

with this tendency to stumble upon people called B Forsyth his money back. (834 6184).

Heasure for Measure (Barhican): Juliet Stevenson as Isabell confirms her promise as the RSC's brightest young actress, a worthly successor to Asheroft and Dench, in Adrian Noble's recognised mydnetics. before they have reached star-dom. Bruce Forsyth I remember first sighting in his pre-celebrity days in a Torquay revue circa 1955, where the footlights kept exploding and Forsyth, chin rampant, kept masterfully ad-libbing. Bill Forsyth I remember meeting as a callow, pre-filmic lad at a Glasgow seminar (1975?) when the light of genius was yet young in his eys. They've both gone on to triumph in rival areas of that unique British territory, the (9306306).

Wild Honey (Lyttelton): Michael Frayn has reworked Chekhov's first play, usually known as Platonov, into an engagingly hilarious farce. This superb dramaturgical feet has Ian McKellen giving a brilliant performance at its centre and a shimmering design by John Gunter. The superb direction is by Christopher Morahan. (928 2252).

On Yeur Toes (Palace): Rodgers and Hart's 1938 musical is a genuine tonic with Makarova lifting her heels behind her ears and finding a brilliant opposite number in Tim Flavin. American jazz dance collides with the Ballets Russes. Gems include There's a Small Hotel, Glad to be Unhappy and the Balanchine ballet for Slaughter on Tenth Avenue. (437 6834). laughter of mishan: Bruce telly game-shows and Billi in big-screen comedies like Greg-ory's Girl and Local Hero. The game-show guest as human coconnt shy (Bruce's speciality) is a boisterous first cousin to the Everyman as holy fool (Bill's), and both are a comic expression of Britain's love of

the underdog.

Though I will take Bill Fs comedy any day in preference to Bruce Fs, their points of convergence are more intriguconvergence are more intriguing than their differences. And
the kinships are clear in
Comfort and Joy: with its hero
Alan (Bill Paterson) a keepem-happy media person by day
(disc jockey on a local Scottish
radio station) in the Brucie
mould, and by night a more
Bill-like Everyman on the
receiving end of life's levelling
blows.

The film's first half is as good
as anything Bill Forsyth has

as anything Bill Forsyth has done. Our hero's girlfriend done. Our hero's girlfriend (Eleanor David) walks out of his life, cooly stripping his flat of her possessions (which seem to be 9/10ths of the lot) and leaving him gasping brokenly to his best friend the next day, "She left the refrigerator. That's a good sign, isn't it?" Chipping about between Alan's private life and his public workload, introducing pop lic workload, introducing pop songs or casting dreadful cereal jingles across the airwaves ("Thrifty pops! Thrifty pops!") Forsyth creates a tragicomic, magicomic rubato of the every-

day. But midway through the movie it's as if a gale of Brucian overemphasis has blown in and the plot lurches towards slap-stick. We follow first Alan's forloraly funny attempts to ex-tend himself into the documen-tary field—monologuing into a mike by a rusty canal—and then his involvement in an ice-cream war where rival gangs of Tutti Frutti conquistadors are carv-ing up the city's underworld.

Cinema/Nigel Andrews

Forsyth's saga



Mr Bunny is at war with Mr to wit the drunken British ex-McCool, the hills are alive with Consul Geoffrey Firmin and his the sound of flying cornettos small band of too-late or too-and Alan is the media-man weak succourers, including exthe sound of flying cornettos and Alan is the media-man turned mediator caught in the Unless there's an allegory on one day in the life of Firmin: the banks of the Clyde I'm miss- with the trony that it's also his ing here, I don't see the link last and is Mexico's Day of the

between the two movies: be-tween the witty-worful comedy of Part 1 and the school revue shenanigans of Part 2. Once or twice a great Forsyth coup erupts: like the shot of a van-dailsed ice-cream van limping down a twilight hill like a giant lame rabbit, as its windows quietly cave in and its broken speaker bleats out, "Hello folks, hello folks, hello..." But elsewhere we're left with a scatter-fire of comic images in search of uniting comic vision.

Nothing could be less scat-tered than the fire in Malcolm Lowry's novel Under The Vol-Lowry's novel Under The Vol-cano, which roars continuously for 380 pages. This prose poem under Mount Popocatapoti is volcanic indeed: spilling a red-hot vision of Hell out of a thy pimple on the human landscape,

wife Yvonne and half-brother Hugh. The novel occupies only

Dead. The vultures of con-science and despair flap patiently round the dying man (for Firmin read Infirm), mak-ing the Cuernavaca day seem

great actor for making eternity seem short. Unfortunately here he makes it seem too short: Huston to turn Lowry's lowering epic into a tour de force at once sun-scorched and skittish, in which Finney's sozzled, which finney's sozzled, which is too much of a camera-hogging semi-comic "turn" ever to open the limeless tranteaming with director John Huston to turn Lowry's lowerthogging semi-comic "turn" bright a UFOs. All this plus a ever to open the timeless trapdoors into Hell that Lowry prepares for the last act.

State of the sand eyes as hig and the same should be bright as UFOs. All this plus a bright as UFOs. All this plus a electric-limbed dancing pares for the last act.

Mexico, where he bestrides the blotchy textures of Gabriel Figueroa's photography like a tomato-faced Colossus; heaving into constant close-up and playing gold-medal gymnastics with his epiglottis. "I chooze-ah Hell-li" he cries near the end, popping monstrous eyes, grimacing his cheeks and giving a snake-flick with his tongue to the last consonant.

Meanwhile Jacqueline Bisset bites out frightfully British emotion as Yvonne, and Brideshere's Anthony Andrews as Hugh belabours the assembled company with reminiscences (and a song) about the Spanish Civil War. The novel's sprawling and appalling power lay in the way the Mexican heat and stasis spread into everyone's soul, like moiten lead that gradually hardened and killed But in the film there's no interaction whatever between the stars speechifying away like mad in the foreground and the nebulously exotic Merican background that's so fuzzy it's almost void of distinguishable details. (Why are all the long shots so out of focus?) What emerges is a film at once shown and But in the film there's no intera film at once showy and shallow, grandstanding and imprecise—all the qualities Lowry would be appalled to have attributed to a version of his

young flower not old prime," says the wise old Oriental who says the wise old Oriental who coaches our teenage hero to excellence in *The Karute Kid*. He (Ralph Macchio), newly settled with Mum in California, doesn't agree. He wants to be able to give the school bullies some of their own medicine, and this karate-skilled Okinaand unis karate-skilled Oktha-wan caretaker in their apart-ment block (Norlyuki "Pat" Morita) is just the old prune to help him. John (Rocky) Avildsen directed this junior-Aviosen infected this jamor-league David and Goliath yarn, which is daft, sentimental and endearing in roughly equal pro-portions. Take the children.

Purple Rain stars the rock

"To make honey, bee need

star Prince, heir apparent to Michael Jackson, and has a demented pyrotechnic vitality that only the old at heart could realst. In style it's like a 110-minute pop video; with a plot you could write on the back of a pleasure. Chines plays the ing the Cuernavaca day seem a plectrum (Prince plays the eternity and vice versa.

Albert Finney, once the National's Tamburiaine, is a and offstage romanice, with great actor for making eternity Apollonia Kotero) but visual effects that are like Guy Fawkes night in a nitro-glycerine factory.

ares for the last act. vitality that makes Michael
This is The Dresser's "Sir" Jackson seem like Michael

Paris Opera Ballet/Edinburgh Festival

Clement Crisp

The Paris Opera Ballet's Theatre in Sweden, where the experience of today's per-Comedia dell'erts bill, on view pre-Romantic painted flats and formers. The programme the play, which finds the master this week in the charmless barn machinery have been lovingly indicates that the choreography at his most buoyantly funny, with partick Duopud tearing of the Playbouse, is a characteristically intelligent assembly of dence works which span nearly two centuries of the Italian comedy. Thematic programming of this kind seems part of Rudolf Nureyev's ability to infuse new interest into his company's repertory, and the contrasts between Ivo Cramer's reconstruction of an 18th century frolic, Fokine's Carnaval, and Balanchine's Le Bourgeois Gentilhomme, make for a de-lightful evening. Cramer's Harlequin, Magician of Love is a fanatically complex and improb able narrative which need concern the viewer not at all. the opportunity for splendid

What matters are the merry capabilities of the Opera dancers to rattle through the acenes (with Nureyev himself an ebullient Harlequin as spirit of misrule) against the beautiful old scenery that has been borrosed from the Drottingholm

So we watch swift changes from forest to inn to fortress, with farcical incident bubbling with farcical incident bubbling over the stage, and we delight in the innocent energy of it all, and in the Opéra dancers' fluent way with sweetly credible choreography. Claude de Vulpian is an irresistible Columbine and Pierre Darde a charming Polichinelle; Jean-Pierre Franchetti is a much puttunon Pantalum whom Mr. upon Pantalon whom Mr Nureyev baits and maltrons (and even attends—as doctor— with a syringe and a costume which gives him four arms and

foolery). About Le Carnaval there must be certain reservations. This is. I suspect, the most difficult of Fokine's works to re-stage, for it demands an emotional sensitivity and a no less sensitive dance manner which are beyond

ness, lightest wit and even lighter gusts of feeling, which as yet escape the present cast, though the Opera artists have the physical skills and the intelfigence to explore their roles, and then a rare and delicate masterpiece may be restored to theatrical life. The lighting and musical performance in Edinburgh were miserable, but in matter of dance interpretation there is no other Western com-pany able to tackle this great ballet.

Le Bourgeois Gentilhomme is Balanchine's romp to Richard perfectly, and is delicious.

design is based on ideas by the approximations in decor and interpretation which we saw on Wednesday night.

There are avaluated by the approximation which we saw on whether the saw on th Puck in A Midsummer Night's Dream—in which his infectious delight in dance and in mad-cap pranks are allowed full rein Here he deploys all his vir-tuosity and his sunny energies in the lessons he gives to M Jourdain, and in the Turkish ceremony, with M Piletta a splendid foil and a boisterous comedia. comedian in his own right.

> The lightness of Balanchine's choreography is everywhere matched by the lightness and elegance of the company performance: the soufflé rises

Danny and the Deep Blue Sea

Frank Lipsius

After an appearance as a working script last summer at the O'Neill Theatra Centre in Connecticut, John Patrick Shan-ley's two-hander has not taken leys two-hander has not taken long to get to the Circle in the Square in Greenwich Village, New York. Danny and the Deep Blue Sea plays out a favourite American fantasy, where two inarticulate deadbeats are raised to eloquence by finding someone to confide

John Turturro, who has more than a passing resemblance to a young Sylvester Stallone with three-days' beard, injects venom into Danny as he spits out the anger that led to two fistfights in the past two days. If there is a central improbability in this savage-taming exercise, it is Roberta's persistence in talking to the moody Danny who wants only to drink his pitcher of beer in peace.

Roberta's own problems propel her toward the brooding Danny, as the initial alternating monologues emphasise the gulf that separates the two. Danny is afraid he killed someone in his brawl while Roberta blurts out that she had sex with her father. She did it to get power over him in a claustrophic life in which she has a teenage son, no husband and, at the age of 31, sleeps in a closet.

Still, she remains a tough cookie whose vulnerability is well encased in her tight-fitting clothes and stiletto heels. After a slightly shaky start on the dialogue, Deborah Offner makes a notable debut standing in for

Following the across the bar preliminaries, the scene shifts to Roberta's live-in closet, where she charms some dialogue and even a few endearments out of Danny. When she starts complimenting him, he covers his embarrassment by loudly telling her to shut up. She gradually humanises him to the point where he caks her to mary him and they spend

idyllic moments dreaming about a church wedding. In the in the same room, she tells him they are both crazy to get married. Though her reluctance sounds plausible, Danny rises to real elequence and insights to coax her back into thinking that they need not retreat to their separate desperation.

Director Bernet Keliman traction to the tense effort at salvation made by two initially

Bricks'n Mortar/Scarborough

Martin Hoyle

(local heroes say a lot about the natives' priorities). Besides being our most prolific play-wright. Mr Ayckbourn is Director of Productions at the Stephen Joseph Theatre in the Round, where he is currently putting on a new play by Michael Cashman. Mr Cashman has been associated with Scarborough for two years as actor as well as writer; his first play enjoyed an Ayckbourn produc tion last summer.

Mr Ayckbourn's loyalty to associates outweigh his judgement Bricks 'n Morter is fatally unsure whether to opt for farce or comedy of character; as a result Act 1 jogs along with the bland banter of a TV sitcom. "I served at the altar once," says the dim-witted youth prior to saying a few words over the recently defunct boss's corpse. "And I served at the Rose and Crown," is the creaking re-joinder.

The story deak with the trantic attempts of a contracting builder's work-force to finish a keeps the scenes moving with an urgency and edge of drops dead. His ungrieving violence that do not fing or induce fatigue. David Gropman's simple set causes no dis who nightly undoes the day's

Capni has Tiberius; Scar- challenge; and a thin-lipped borough has Alan Ayckbourn District Surveyor on whose pos- (local heroes say a lot about sibly corrupt approval the whole enterprise depends.

The world here portrayed is too inconsistent for farce. There is no reason why, though con-cealing the boss's death the workmen should kep his corpse lying around the site except for predictable comic manoeuvrings when possible discovery looms. Characters and issues are left undeveloped: Terry's socialist principles though often mentioned seem to have disap-peared in rebearsals; sugges-tions of civic corruption cry out for full-blooded satire. And the final warm-bearted conclu-

Despite the slack story-line,

the performance demonstrates the regular company's versathity. As gormless Danny, Mark Jax, constantly hitching slipping jeans over his haunches, is unrecognisable as the suavely manipulative wifeswapper of last spring's Chorus of Digmograph. He seems to of Disapproval. He seems to have changed physique, like Russell Dixon's toothless brick-layer, threatly hissing out vindrops dead His ungrieving dictive threats. Lennox widow joins in Problems are Greaves's sharp cockney Terry posed by a mysterious vandal and Carol Gillies' kindly who nightly undoes the day's northern battle-axe who beats work a half-blind bricklayer too the men at their own game do vain to wear glasses who flees their considerable best, but the to the lavatory at the slightest fun never really sparks.

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Implications of U.S. slowdown

obsessed with this possibility gard the Administration's hope for a long time, concentrating of 4 per cent growth next year almost entirely on the possias unrealistic. bility that this could signal an easing of the abnormally high interest rates which have ruled for the last four years, so that what is bad news for the U.S. economy may well be greeted good news for everyone se. Things were never as simple as that; and if the slowdown is indeed occurring, at a time when the relatively feeble European recovery is itself showing signs of slowing, it could pose some difficult dilemmas for the whole developed world. The earlier they are discussed and understood, the better.

Unpredictable

First, the evidence. The sharp fall in the U.S. leading indicators for the second successive month would in itself be no more than suggestive: this series is often revised quite sharply after its first anounce-ment, and is in any case subject to long and unpredictable time lags. However, on this occasion several concurrent indicators tell the same story. low their 1983 level, though off iterest rates, and that a fall they are still high by the standards of earlier years and the years and the standards of earlier years and the standards of ear low their 1983 level, though on merest rates, and that a fall they are still high by the standards of earlier years, and car cial market boom and a rise in sales are only modestly up. Purchasing managers are much ance automatically. They will less builtish than before about initially do all they can to enorders and output—though these answers are still positive. Ploit nay opportunity from fall-the mounts of consumer consists. nue growth of consumer credit ing U.S. appetite for foreign may be easing from its astonishingly high levels, and the savings rate has been rising quite strongly. The financial markets tell much the saves markets tell much the same story: bond yields have been falling despite heavy funding by the corporate sector, and some edging up ni short term

THERE ARE now quite strong ably does ont. Confidence can reasons for supposing that the long-forecast slowdown in the by the forward indicators them. U.S. boom is at last occurring, and may prove quite sharp. The financial markets have been Certainly many forecasters re-

One implication of this state of affairs stands out at once: it greatly reduces any chances which remained of a serious attack on the U.S. fiscal deficit by an incoming Administration.

This would now be characterized as bigking the account. ised as kicking the economy when it is down. On the face of it, this would quickly impose an impossible dilema, since the willingness of foreign investors to finance a yawning U.S. current account deficit may last only as long as the U.S. economy is perceived as strong: but a fall in consumer demand adn a rise in saving may itself reduce demand for imports quite sharply.

Implications

Since U.S. import demand has contributed nearly half of the growth in total demand in Europe in the last two years, the deflationary implications the deflationary implications ned no spelling out. Clearly many European governments share the hopes of the financial markets that a U.S. slowdown

scenario, but it is an optimistic one. U.S. rates may ease rather slowly; clearly the Fed would until recently have squeezed harder if it dared, and it will now fear a weakening of the dollar. Furthermore, the im-This all adds up to a picture pact of falling rates on activity only too familiar in the UK: is still an unknown, hotiy the maturing of a consumer argued by rival economic credit boom, some decline in schools, Europe, therefore, confidence—justified by difficonfidence—justified the maturing of a consumer argued by rival economic credit boom, some decline in schools. Europe, therefore, confidence—justified by diffishould at least be studying conculties in the banking and tingency plans against a more savings and loan industries, generalised slowdown. Government has big headthnes, as ment will no longer be able to well as by the appalling state of rely on the U.S. locomotive, merchandise trade, which prob-

The case against fortress Europe

THE NATURAL human tendency to blame somebody else

Why is it so often believed champions." that protectionism can solve problems? The cllassical argu-ment against import controls— that they simply lead to an inefficient allocation of resources so that fewer goods are produced where production is cheapest-is rarelyl contested. and there is persistent unem-ployment. Thus import controls can be rationall even if they do resources because they may allow a higher overall level of

Export loss

This argument has a super-ficial plausibility so it is important to explain why no form of protectionism can conceivably help in Europe. The first step is to examine in more detail why EEC countries are failing to compete in manufac-

turing.
The National Institute of Economic and Social Research (NIESR) points out in its review this month that the EEC's problem is more a loss of export markets than a rise in import penetration: had the Community maintained its share of export markets in the last decade output would be to an average of 50 per cent, 874bn greater. Even more would certainly provoke significant, the EEC's inability counter-measures: the NIESR compete is highly concentrated: in a wide range of engineering products—mainly ance of trade in manufactures industrial machinery—the EEC deteriorate by about 16 per has more than held its own.

dency to blame somebody else —consumer goods, particularly for one's own shortcomings textiles and clothing, where perhaps explains the perennial ground has been lost mainly to attraction of protectionism in the NICs—and some engineer-economic policy. Since the late ing products, for example, 1960s, the European Economic motor vehicles and consumer Community has become a electronics, where Japan has less efficient supplier of manuforged ahead. The NIESR factured goods. In world export suggests that the EEC's poor markets, the EEC has lost showing in the first sector ground to Japan and the newly represents a "decisive shift of industrialised countries (NICs) comparative advantage" in ground to Japan and the newly represents a "decisive shift of industrialised countries (NICs) comparative advantage" in while at home it has favour of the NICs: protection experienced a sharp increase in here would be so inefficient as import penetration. The result to be foolhardy. Lack of combus been a creeping increase in petitiveness in the second protectionism, at both national sector may reflect the EEC's in and Community level, in the ability to exploit economies of shape of "voluntary export scale, stemming from the frag-restraints," tariffs or formal mentation of national markets and the promotion of "national

Self-defeating

This detailed analysis of what has happened refutes the argument for temporary pro-tection to allow weak industries Instead, politicians argue that to develop. The fortress the assumptions of the classical Europe strategy would tend to analysis do not hold: markets delay the adjustment process are not perfectly competitive that is necessary if European companies are to become com sumer electronics. The solution distort the allocation of is not to erect tariff barriers to those outside the Community but to encourage more competioutput and employment in the protectionist country.

tion inside. The Common Market is sufficiently large that the removal of barriers to internal competition would cause mergers between European panies enabling them to exploit economies of scale and so become more competitive in world markets.

> Protectionism is intellectually unattractive but is it even feasible for Europe? The NESR analysis suggests it would be either ineffectual or self-defeating. A doubling of tariffs (from an average inci-dence of 5½ per cent) might reduce the value of imports by 5 per cent and raise GDP by a fraction of 1 per cent. But this assumes no retaliation. A substantial rise in tariffs, say suggests GDP in the EEC would then decline and the bal-

BRITAIN'S TRADES UNION CONGRESS



Volunteers loading coal in East: Lothian in May 1926 and police forcing back NUM pickets near Llanwern steelworks, South Wales, last month

Unions on the edge of an icy slope

By John Lloyd, Industrial Editor

EN MURRAY presides over his last Congress next week with the tide ebbing as ominously for British trade unionism as it ran strongly for it when he took over as TUC general secretary in 1973. His perennial question to the labour movement—"Can you deliver?" remains un-answered; his drive to find answers, launched with hope and energy a year ago, has been shattered, and nothing has emerged to take its place. The emerged to take its place. The 116th Congress will be feverish, dramatic, a media spectacle, as unions publicly divide: it can-not hope to offer the movement the period of recuperation it

The 100 or so unions represented at Brighton will need to be both careful and lucky if the present spiral of decline is not to accelerate. This does not mean that the union movement will die or suddenly disappear: it could mean rather a slow, irregular drop down a gentle but icy slope, with no one person or group capable of carving out a ledge and attempting the climb back up. An uneasy feeling haunts

the unions that government and employers can do without them even when they attempt to be "responsible" and can resist them when they stand up for a fight. They know that good times have succeeded bad times before—but they do not know how to get a purchase on events to swing things back their way. The long, low period of the 1920s and early 1930s is recalled to mind because of the obvious sent. Unemployment cut the surge of growth in TUC-affiliated unions during and just after the first World War from 6.5m in 1920 to 3.3m in 1934: only then did it begin to climb once more. In 1926 a miners' strike (against wage cutting) led by the fiery idealist A. J. movement, corralling the unions

membership.
By the mid-1930s however, the union rot had stopped: the painstaking Walter Citrine, TUC painstaking Walter Citrine, TUC to "fight unemployment": the general secretary from 1926, National Union of Mineworkers was complemented by the is doing so. It is "bitterly organising genius of Ernest hostile" to the Government:

Bevin, secretary of the Transport Workers and TUC president in 1936-37. New industries like motors and electricals were being organised before the war: the war itself ushered in a "period...of Government-trade union coalition which revolutionised the position and power of the unions ".* Neither position nor power were seriously challenged until 1979; growth flattened out in the 1950s and early 1960s, but resumed at the end of the decade as the "white collar proletariat" (and salariat) were enrolled in the union family.

The ebb of the 1920-30s was

followed by a new wave of union growth. It was led by powerful personalities and officered by thousands of union zealots who had the preconditions for organisation to hand in thespread of mass production industries, the demands of war and the encouragement of governments and many em-ployers. Now, histility and in-difference hem the unions in, industries are trimming their labour battalions and splitting them into more controllable platoons and nuclear war will not offer the unions another opportunity.

These considerations will underlie Congress next week, but will find at best oblique expression in it. Instead, the compound of pressures produced by years of unemploy-ment, rapid industrial restructuring and a relentlessly, un-forgiving Government has been forced into the narrow compass of next week's Congress. The first, and most obvious,

of these is the miners, back for the second time in a decade to pose the most basic of ques-tions for the British polity and for the unions in particular. tor the unions in paracular.
Their struggle aganist pat closures is led by a man in who extraordinary will and charismatic ability join a colossal arrogance and a horor of compromise: Arthur Scargill has howled round the battesed sides roto a general strike for which howled round the battesed sides they were unprepared: its failure was followed by a further twist downwards of union the has done so by attempting to practise what it has (often so lightly) preached. movement is committed

Scargill is bringing the rhetoric

Hence the importance of the NUM motion to be debated on Monday, calling for "total support," to be taken together with the "friendly" amendments of the train drivers and the seamen which bar the crossing of picket lines and the use of "blacked" coal. It calls for backing for a fight conducted on the basis of TUC policy, and therefore must be "supported": but on what terms and accord-

ing to what rules?
At the core of the issue, though

who more than the NUM? It ernment, but more about reaspires to a society based on covering authority to speak for need, not profit": what could —and hence "deliver" an be based less on profit than alienated metership. Reflecting the kind of coal industry for which the NUM is striving? Mr Scargill is bringing the rhoto-in claimed that it was "flouted from the first" by union leaders at all levels who refused to recognise its implications or implement its guidelines for the conduct of relations with employers, the Government and each other.

The two set-piece engage The two set-piece engage-ments of the past year were the strongly contrasting in-stances of the National Graphical Association's struggle to retain a closed shop at the Stockport Messenger newspaper and the Government's banning is the Murray question—Can of unions at its Cheltenham you deliver? The dockers' communications centre. Mr leaders in the Transport and Murray distinguishes sharply General Workers' Union, the best able to do so because of that goes to the heart of the their industrial muscle and issue of what cen be delivered.

Mr Len Murray's perennial question 'Can you deliver?' remains unanswered

militant traditions, are trying to do so at present, but it is still unclear if their members will obey. The NUM wants the power workers to deliver too. power workers to deliver too. If the power workers went on strike, it but they will not. The steelworkers have already crossed the river of no support. Most of the rest of the union movement hopes not to be put to the test.

Yet, though Mr Scargill has put the sharpest edge possible on the question of delivery, it has been posed before over the last 12 months. The answers bilious Congress without the miners, and will now be con-flated with their struggles.

That 12 months was supposed to see the flowering of what came to be known (to Mr Murray's irritation) as "new realism," caricatured as dis-tancing the unions from a badly underperforming Labour Party to the Government: and drawing closer to the Gov-

"The GCHQ case was an example where the unions could command the support of their membership and indeed of the wider public. Whereas in the NGA case it was quite obvious that, valiantly as the NGA had fought, there was no way in which Mr Shah (the SM pro-prietor) could be beaten by escalating the action in the way the NGA wanted. And I think they knew it."

Mr Murray "won' the NGA issue by refusing to allow the TUC to be dragged into "total support " of an action which, it given would have already pro- judged, could not succeed: he vided the subject matter for a and the General Council identified GCHQ as one where they could. In a textbook illustration of moderation, the Civil Service unions with TUC support offered a guarantee of no disruption to the Prime Minister as an alternative to a complete ban, while seeking and gaining broad support for opposition to

for the union side they were rebuffed: the ban has remained. "It shocked me: shocked me. Most of the substance of the decision and the style. The careless disregard for the attempts which had been made to establish some sort of minimal modus vivendi.

"But obviously it was not regarded by the Prime Minister as significant . . I see it as a very definitive statement by the Prime Minister as to ber attitude on trade unions I have no reason to believe she has

changed . . ." Mr Murray's bitter defeat let loose the forces of the Left, who had kept up their unremit-ting hostility to the General Council majority since the NGA debacle (they have put up five motions condemning the Council): the NUM has been supported throuhgout its dispute by a lloosely organised group of left-led unions, the transport unions in the van, who have bypassed TUC involvement, suspecting that the hand of the TUC laid upon the dispute would cause it to

The motions put down by the Left use the NGA issue to call for a stiffening of the struggle against the Government's employment laws—the 1980 and 1982 Employment Acts, now joined by the 1984 Trade Union Act. The argument will turn on the ilection taken at the 1982 Wembley conference: there, the TUC pledged itself to back imions under legislative attack, with the rider that the General Council would exercise discrimination as to what to back and how to back it.

Success with these motions could commit the General Council to a more militant, less best they can without much reference back to it. The elec-

ever in defence of its blend of industrial trade unionism, ballot-based democracy and robust anti-Left polemic, has pioneered the "no strike" agreement as a means of gaining entry to hard-to-organise electronic plants and is pushing them with a missionary zeal. Other unions are less publicly meeting with Mr Murray leading

At national level the General

At national level the General Council pulled out of the National Economic Develop-ment Council (in protest over the GCHQ ban) and now hopes Congress will allow it to get back. Mr Murray thinks that Mr Nigel Lawson, the Chancellor, could allow the unions to get involved enough in macro and micro level decisions to make while. Again, the Iceway is seen as "small but significant":

The retiring general secre-tary fears that his last tyngress may be disrupted inside and out of the conference hall. "To me the bottom line is the right of delegates elected by to discuss in an orderly was the business of the trade union movement and to reach decisions without intimidation. If we can't do that then we may as well pack up, and I think there is a serious danger of that."

His hope for Congress is also his unfulfilled goal, one which his successors will have no choice but to attempt after him. "As to the hope? That we will reach in an orderly way decisions which we have some possibility of carrying into effect . because that must be the test. The only thing that's worth discussing at Congress are things we can influence as a trade union movement . . that's the measure of any decisions carried by Congress: Can we deliver?

"I've no complaint about governments posing that question directly and even crudely tion directly and even crudely it's a question that govern-ments have been posing to the TUC since I've been associated ascriminating posture.

But will it matter? Can they deliver? In the workplaces, the TUC's affiliates are doing the best! they can without the deliver? The control of the deliver. tricians' union, stronger than representative capacity real capacity of unions to —to make sure that we are representative . . otherwise we're nothing. We're merely passers of resolutions—spitters

Governments and Trade Unions by Denis Barnes and Eileen Reid, Haine-menn P51, 1980.

into the wind."

Oak beams and high tech.

A pretty PR problem faces the organisers of the British pavillon for the Expo '86 fair in Vancouver, British Columbia. The Canadians want to see plenty of Merrie Olde England in the British exhibition, But Ted Allan, the Central Office of Information man responsible, is just as keen to make this a shop window for British advanced technology.

With public expenditure constraints, the Foreign Office has allocated £1m to the venture enough for a display of synthetic oak beams, but much less than will be spent by the Australians, or the Russians on Allan's selection committee is

therefore asking companies to bear the cost of freighting and displaying their products.

The main theme for the Expowill be transport. On the short list to represent British achievements are the Westland 188 Hovercraft, which will be used to ferry passengers to the fair, BR's bus-on-rails said to have third world potential and GEC's magnetic levitation people-

light aircraft, the "tilting train," or a model of it, and a range of personal transport the pavilion will include a pub,

probably supplied by Watney
Mann, selling draught bitter.
Somehow or another the
memory of Captain George Vanment five years to put British couver, who came from Kings Lynn in Norfolk will have to be commemorated as well. The organisers are still working on that one.

Table talk

There are comings and goings at Food for Britain, the quango set up last year to help British food companies sell their products abroad.

Trevor Barker, aged 38, the

Men and Matters

to British and overseas grocery

Barker says there is no question of him becoming disen-chanted with the Food from Britain operation. Rather he believes he can offer a complecompanies which might be unable to break in on the sophis-ticated food distribution chain. And coming to Food from Britain next week is Brian Law who will become the first full-time chief executive, a post previously carried out by the chairman Nicholas Saphir.

Law, aged 56, has spent most of his career with Mars. Lately he has been a director of S and W. Berisford, the commodities trading group.

His aim, once he gets his feet under the table, he says, is to Other possibles are the Optica expand Food from Britain's overseas network of officesthere are outposts extolling British foodstuffs in the U.S., from high speed bicycles to France, Germany, and Belgium Rolls-Royces and Jaguars.

To satisfy the nostalgia of Lishing a quality symbol recognishle Vancouver, however, nisable everywhere for food from Britain.

foods on the world map.

Blue streak wake

of moorland in north-west England this weekend will come across a smal army of about 100 engineers consuming beer and sandwiches and unashamedly

wallowing in nostalgia.

The men are all former workers at what was a huge Trevor Barker, aged 38, the rocket-testing site at Spade-marketing manager, is leaving adam Waste in Cumbria. after 18 months with the fledg- Between 1958 and 1973 up to of the space vehicle in a way

ling organisation to set up his 2.000 people worked at the own consultancy company which Centre testing engines in will help small British and continental companies gain access Blue Streak was intended. Blue Streak was intended, initially, to be a ballistic missile that could put a nuclear bomb on Moscow. Later, the Government adapted the vehicle to become the first stage

of a satellite launcher. The effort came to waste when Britain abandoned the pro-gramme, leaving France to become the leading power in Western Europe in rocket tech-

weekend's excursion, which is costing the ex-Blue Streak engineers £1.25 a head is at the invitation of the RAF which took over Spadeadam in the 1970s and turned it into a dummy airfield for bombing

Ray Hancock, a former Rolls-Royce engineer who has organised the reunion says the Blue Streak episode. To this day many of them fell that with stronger official backing, Britain affairs reporter on the Irish would by now have become a Times. leader in space technology. "Every time I hear of another satellite launch, I think of wasted opportunities," sighs

Numbers game

For a body of men whose lives are dominated by the most clinical scientific disciplines, astronaut: are notoriously superstitious. Above all they are wary Visitors to a desolate stretch of anything associated with the number 13-a sentiment sparked at least in part by the mishap-strewn Apollo 13 mission to the moon in 1970 in which three American space travellers nearly died,

All this explains why the National Aeronautics and Space Administration, which runs the U.S. shuttle fleet, labels flights that is confusing to most

outsiders
The latest journey of the space plane is chronologically mission 12. But under the new classification Nasa refers to it as I have cracked the code. The first digit refers to the fiscal year in which the flight takes place. The second labels one of

the two launch centres from which shuttle can take off. The letter denotes the order in which missions occur in a set year. The whole procedure is to ensure that no one mentions the taboo number with reference to the 13th flight which is due to begin in October.

Dublin calls

Has the Irish invasion of Britain's media peaked at last?
After Terry Wogan, Henry
Kelly, and Gloria Hunniford, we
have had Olivia O'Leary doing
a three-month stint on BHC 2s-She has apparently been a

success having attracted very favourable reaction from TV watchers. The BBC has also been occasion may help the rocket impressed with her scripts, men to feel less bitter about the which is not surprising for before arriving in London she was a political and foreign

> David Dickenson, editor of Newsnight has asked her to stay but she has declined—thereby shocking some BBC people by turning down what is seen as

She says she will only remain if she can be a main presenter. In fact O'Leary is not quite ready to move to London permanently. Her husband Paul Tansey, a leading economist in Ireland and deputy editor and part owner of the Sunday Tribune, wants to be back in Dublin to sort out the paper's finances.

She feels there migh: be more professional fulfilmen in Ireland where she will write for Magill magazine, a Dublin monthly, and also work regularly for Irish TV.

Observer

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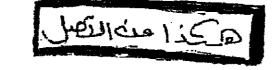
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IN THE last week, an important Saudi-U.S. contractor has gone bankrupt and one of the Kingdom's most distinguished mer-chant families has called in the New York investment bank, Morgan Stanley, to help it re-organise at least \$400m of debt corred by its contracting sub-In both cases the cause of the

problems has been the samehuge delays in payment by Sandi ministries and other gov-ernment agencies, which are embarrassed by the fall in the Kingdom's oil revenues. Delaying payments in this way is a time-honoured response of Middle East oil states to finan-

The Government's policy is causing great concern among contracting companies in all major industrial countries. Over one third of all the overseas business won by British con-tractors for example is in the Middle East. Saudi Arabia is by far the biggest market in the region—despite falling oil prices the Kingdom is still budgeted to spend \$75bn in the financial year ending April 1985. Many thousands of companies—large and small—are affected by any change in Saudi payment policy.

change in Saudi payment policy.

The Carlson Al'Saudia company, a partnership of the Carlson Group of the United States and several Saudi investors, including Mohammad and Saud Fabd, two of the King's sons, collapsed because it was not paid for work on a housing project at King Saud University in Rivadh. It is not yet known in Riyadh. It is not yet known what bank debts it has or what guarantees may be called, but it is public knowledge in the Kingdom that it has on site 2,000 Asian workers, whom it is

Great concern in all major industrial countries

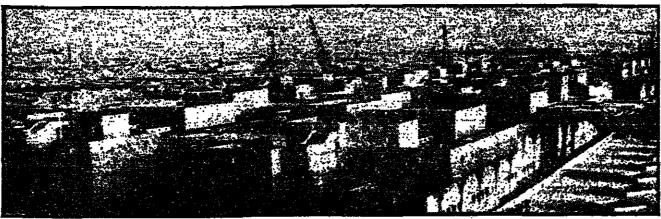
unable to repatriate, and owes \$4.5m to a travel company.

The Shobokshi group, based in Jeddah, operates on an altogether bigger scale than Carlson. The family partnership, Ali and Fahd Shobokshi, has unlimited liability, like almost all the top 30 or 40 Saudi merchant groups, and is a typically diversified concern. It runs shipping, agencies, factories runs shipping agencies, factories producing building materials and furniture, the trading house that imports Pony cars and trucks manufactured by Hyundai of Korea, and well-known and publishing

31.

The last two of these interests are the Tihama advertising agency and the Okaz newspaper group, which publishes Okaz, one of the most widely-read Arabic newspaers in the King-

BUSINESS WITH SAUDI ARABIA



King Sand University, Riyadh, where Carlson Al' Sandia was not paid for work on a housing project

The payment delays that are hurting contractors

By Michael Field in London and Mary Frings in Bahrain

dom, and the English language The partnership also has a

The partnership also has a trading and contracting division, the General Agencies Corporation, which does much of its work through winning and then sub-letting contracts. It is this part of the group that is the main cause of the family's problems

The partnership's \$400m or so of debts are owed to some 30 banks, including the First National Bank of Chicago (which is by far the biggest lender), the National Commercial Bank of Soudi Arabia and cial Bank of Saudi Arabia and several Bahraini offshore banks. According to bankers in Saudi Arabia there is no question of the Shobokshi group going bankrupt if it can re-arrange its loans. The contract-ing division is still winning contracts and there are real estate investments in Egypt and Britain which can be sold. The partnership also has large real estate assets in Saudi Arabia, though it is reluctant to sell these now because of the depressed state of the Saudi

Part of the problem for Shobokshi is that some of the real estate investments have been funded with short-term loans which have not been renewed as the banks have become concerned about the cash for difficulties of the

contracting division. investments, which include the half-finished Plaza Hotel and commercial complex in Cairo, are regarded as a longer term problem for the company, though they obviously have to be taken into account in any reorganisation of the family's

It is almost inconceivable that Saudi government payments to the Shobokshis would be delayed for long enough to force the family to go bankrupt. The Shobokshis are members of an old Hijazi family, from the west of the Kingdom, who have cultivated links with the royal house of Saud from the time of the conquest of the Hijaz in 1925.

spered partly because they have enjoyed the goodwill of their rulers. In recent years they have become much involved with Prince Mohammad Fahd, the most entrepreneurial and controversial of the sons of the King and one of the best-known royal family businessmen.

They have survived and pro-

For the royal family to desert the Shobokshis would be a national scandal. "They are not like Adnan Khashoggi, an American banker remarked this week, "they are real

Carlson and the Shobokshis Riyadh-Dammam road project. are not the only contracting businesses to have been affected This led to great expense and by late Government payments. Earlier this summer the partner-The Saudi Government now

ship of Blount of Alabama and Bouygues of France, which has claims that the contractors can blame their distress on their the major contract for Riyadh University, was owed \$400m. It is believed that the companies were paid only after they had enlisted the support of the U.S. own inefficiencies, and that in the past, their profits have excessive. There appear to be little concern in Riyadh that is a mismanaged the policy of delayed payments is seriously damaging the Saudi contracting industry, indeed the givernment denies that is delaying payments.

The root of the problem is hard-hearted way they want to that the Saudi Government has simply mismanaged its cash flow. With oil production in the last two years has run at only some 4m barrels a day, about 40 per cent of the level of 1980-1981, the Government has found itself with too many big projects already under way and has continued to embark on too many new ones.

Ministries are also finding it hard to break the habit of overluxurious building. The more opulent and expensive projects have been in the past, the happier the contractors and middlemen have been and the more the prestige of the ministers has been enhanced.

jects that are not yielding income or need further investment, and its contracting divi-The delayed payments policy sion recently found that it had began early last year at a time carry out blasting on the when competition in the Saudi

than it had been at the beginning of the decade. Big foreign company/Saudi partnerships. with large establishments in the Kingdom, were prepared to bid for contracts on a break-even basis simply to keep themselves in work,

market was already far tougher

When progress payments have been delayed, these companies have been tempted to low the pace of operations, which in some cases has led to contracts running behind schedule, Customers have then invoked penalty clauses.

When projects have been completed, the normal ploy of ministries and other agencies has been to look for every conceivable fault in the job in order to delay approval and

have arrived at the point of bankruptcy, Saudi practices have militated against rescue operations.

One apparent indication of imminent bankruptcy in Saudi Arabia is the labour force not being paid. When this happens, the workers complain to the police. The police call on the offices of the managers, ask if management has the money to make payment and on discovering that there is no cash, put the managers in a debtors'

It is not so much that the Saudis regard bankruptcy as a terrible crime, it is just that in a characteristically simple but

Root of the problem

have the offending parties in their care so that they know where they are.

One of the consequences of this practice is that as soon as a management realises that it will not be able to pay its workers, it leaves the counctry.

Imprisonment makes it diffimonies owing to his company and arrange bank loans.

The government has not said whether it is considering changing the system; issues of public policy are never debated openly in Saudi Arabia. But it is felt that it may be forced to change not only because it needs projects completing, but also because it will want to avoid having thousands af Asian labourers stranded indefining the Kingdom.

Lombard

Japan and its neighbours

By Jurek Martin in Tokyo

AT ONE level, the visit to It appears that President Tokyo next week by President Chun is also prepared, within Chun Doo Hwan of South Korea reason, to bite this bullet, and can reasonably be seen as not merely on the commercial another success for Japan's side. In Seoul this week, regional Asian policies, which have been geared in part in the post-war years to making amends for the excesses of militarism that preceded them.

It is not only that through the streament of Korean astimates. this first-ever visit by a South Korea head of state, Japan is seen symbolically mending Modern Japan has generally escaped international scrutiny fences with the Asian country it has most wronged this century, important though this may be. It is also that Japan now likes to think of itself as something of a model for the newly industrialised countries, the most successful of which are to be found in the region; the most prominent is unterpretable.

The blast delivered earlier this week by Dr Mahathir Mohamed, the Malaysian Prime

Minister, was noteworthy not only for what he said but for who said it. Dr Mahathir is architect of his nation's Look

worth emulating. Singapore.

Taiwan and, even though it would never admit it publicly.

South Korea have all been taking leaves out of the

Yet Dr Mahathir was moved

to decribe Japan's relations with Malaysia as conforming, in

tern of economic colonialism." Japan, he said, bought plenty

of raw materials from Malaysia

on the human rights score; only its refusal to open its doors more than the merest crack to accommodate Asian refugees has attracted a degree of criticism. But there is little doubt that the 700,000 Koreans resident in Japan, many of them from families brought over the most prominent is un-doubtedly South Korea. The trouble is that clouds before and during the war when Korea was part of the Japanese Empire, are subject to both legal and social discrimihave started to reappear on Japan's regional horizons on at least two connected fronts, the commercial and the cultural,

denied to them, as is, in most cases, Japanese citizenship. Only this week a court in Tokyo upheld the practice of regu larly finger - printing all foreigners resident here, regardless of birthplace and status in society. The plaintiff was a Korean businessman who was brought to Japan as a young East policies, whose premise is, or was, that the Japanese economic and social model is boy no less than 47 years ago. The Japanese value their

sense of national uniqueness so highly there is virtually no domestic constituency in favour of making the country more of an ethnic melting pot. Indeed those Asians who have achieved immense popularity inside Japan-such sporting heroes as many respects, to " a classic patthe Korean wrestler Rikidzan and especially Sadaharu Oh, the Taiwanese baseball legend—have done so in good measure by assuming an almost super-Japanese identity.

of raw materials of raw materials but virtually no manufactures products even though it apparently supported and certainly profited from Malaysia's amphasis on industrialisation.

The products even though it apparese identify. But commercial and cultural exclusiveness, real and perceived, can be two-edged swords. They have undoubtedly helped make Japan successful targets for Asian leader to complain helped make Japan successful recently that Japan is more but they are targets for interested in selling to the criticism, emerging from preregion than in investing in it, cisely those neighbouring that it is niggardly in permit-countries which have tried to ting technology transfers, that cpy Jepan and with which Japan its own markets are often wants, and even needs, conclosed and that its aid flows— especially direct grant assis-tance—are much less than tinued good relations. This will not take the gloss off the Chun visit but it is food for mostly Japanese thought.

Decision makers' indecision

From the Group Pensions Executive, Allied Lyons Sir,—It is always interesting with their stated intentions Your report (August 29) on the survey by the Institute of Directors into portable pensions

is a good example. A reported 56 per cent of the 200 directors polled "would take advantage" of the portable pension proposals. Yet a pension proposals. Yet a National Association of Pension Funds survey shows that only 7 per cent avail themselves of opportunity to pay addi-al voluntary contributions

Both portable pensions and AVCs are money purches trans-ferable personal contracts. What happened to the other 49 per cent?

Later in the report it is stated that 87 per cent approve of the proposals. How can this be? Surely these people are the decision makers and if 87 per cent approve, why are their companies not already making such arrangements? It is perfectly practical to do so and has

been since 1956.
Then 25 per cent said "their company does not intend to implement" the proposals. Are one-quarter of our comapnies going to be personal pension Luddites?

Perhaps this survey is not only interesting, it would also be very worrying if the views of the IoD on pensions were thought to be of any value.

M. H. Oldfield.

Allied Lucas

Allied-Lyons, Denmark Street, Bristol.

We have ways of making you drive

From Mr N. Wolfenden

Sir,—Clocking up many thousands of motorway miles a year, both in this country and West Germany, I feel I must write to attempt to correct the impression Jonathan Carr gives of autobabn traffic in his article "West Germany in the fast lane" (Lombard, August 23). which could well discourage drivers from motoring in that

Far from being a "brutal helter skelter," autobahn traffic has always struck me as well disciplined and drivers are able to travel at higher speeds organisations are trying to do because they benefit from a lower density of traffic when compared with that in the UK difficulties for him on this. He carriageways in better condition and superior road information Musion that they are getting signs. (When did you ever see the unvarnished, unslanted a sign indicating a stretch liable to damp, or ice or fog under certain conditions, or a windsock on an exposed road

Letters to the Editor

soon as safety permits. If your soon as safety permits. If your correspondent fails to gauge the speed of faster vehicles behind him, he can only blame himself for any black looks he receives. Quite simply, he should not

have moved out! Readers should go to West Germany and experience the beauty of motorway driving as it was intended—long stretches of road at higher speeds. Like me, when they return to this country, they will find our road system rather quaint and frustrating

N. Wolfenden. 56 Derwent Road, Leighton Buzzard, Beds.

The miners and the media

From the General Secretary, National Union of Journalists

Sir,—This week's opinion polls and Mr Arthur Scargil's address to the Edinburgh Television Festival show a sharper clearer conflict between the unions and the news media. It is tempting for the journalists' trade union to keep its head down and stay silent, because if we speak out, it will either be to anger our own members to alienate other trade

Yet stay silent is the one thing, in conscience, we cannot do. Whatever the Govern-ment's intentions, the result will not be simply to win an industrial dispute; it will be to destroy the miners' trade union. If that happens other unions, including ours, will be

Newspapers can either take sides in this war, or they can report the news objectively. If the former involves journalists in making political judgments when they ought to be making news judgments, and it inevitably does, then we have to

Mr Scargill ought to acknow-ledge, though, that many journalists and many news generally speaking, does not want his members, or anyone else, to suffer from the the unvarnished, unsianted truth from the Daily Mail, The Sun, or the Daily Express. It is not easy to make fine distinctions between one sort of reporting and another. Those journalists who wish to distort

that is as bad for Mr Scargill's members as it is for mine.

For the rest of the dispute I hope two things will happen. I hope the NUM will make greater efforts to get its side of

the story to the media. My union is willing to do all it can to help. Many journalists will welcome a better flow of information from the NUM side.

I hope our regions and NUM regions will come together and NUM. regions will come together as they have already done in some places to ensure a better understanding. Journalists covering miners' picket lines are not necessarily there to got he do ne story that will reflect badly on

the miners and ignore every-thing else. Some of them have suffered on NUM picket lines for the sins of the few. These scenes, if they escalate further vill damage the NUM, the NUJ, and the cause of truth, Kenneth B. Ashton, 314-320, Groy's Inn Road, WC1.

Deflationary forces

From Mr R. Sout

Sir,—In their article (August 20) entitled "When a fall isn't a fall," John Edwards and Anatole Kaletsky have made a basic statement that must be challenged and have succeeded in ignoring basic deflationary forces that have considerable bearing on the longer term pricing of commodities. pricing of commodities.

In the measurement of commodity prices, "the dollar,"
they aver, "is an inappropriate
unit of value." As has often
occurred through history, one
nation's currency has once
again become the principal
medium for international dealings. It is now clearly the turn ings. It is now clearly the turn of the U.S. dollar. Messrs Edwards and Kaletsky, noting Edwards and Kaletsky, noting that the U.S. consumes substantially less than half of any metallic or agricultural commodity, assume that the U.S. currency should have proportionally little bearing. There is no discussion of oil pricing in their article, oil being a more obviously dollar-denominated commodity.

No understanding is apparent

No understanding is apparent of the relationship between the world's debt and commodity prices. The largest bulk of the \$800bn of international debt is denominated in dollars. At the same time, nearly all those countries who are in financial difficulty can only earn foreign in the UK?)

Much of the autobahn system has only two lanes, so the overtake and get back in as reporting and another. Those exchange through the sale of commodities. To the extent they sell commodities for the public opinion succeed in bard currencies of other nations overtake and get back in as reporting and another. Those exchange through the sale of commodities. To the extent they sell commodities for the bard currencies of other nations the more pressure is put on the profession which is long overdue.

Martin Ferry, Hurst Cottage, Henley-in-Arden, Warwickshire.

those currencies as they are sold for dollars. For the time being at least it is the dollar, not love, that makes the world

In the spring, the Saudi group

National Chemical Industries, which despite its name was a

contractor more than a manu-facturer, went into voluntary

liquidation with several loans, guarantees and performance bonds outstanding. The com-

pany was owned mainly by the Jedah merchant Mohammad

Bedrawi and Prince Turki Faisal, the youngest son of King

Faisal and director of Saudi

In almost all cases the com-

panies that have got into diffi-

culties have been those that

have had structural or techni-

cal problems as well as large

government debts. The Shobok-

shi family has real estate pro-

external intelligence.

go round.
At home the dollar is being created at a miserly rate, M1 growth at about 7 per cent is not supporting the growth of our own nominal GNP at close to 11 per cent. No wonder the dollar is "dear" and interest rates fairly high.
At the same time the direc-

of the international flow of the dollar has taken a 180-degree turn. Bankers in New York, Chicago and San Francisco were once only too happy to lend money to any overseas visitor with the price of a round trip ticket. Today, those bankers want to see some of those dollars come home. They are fast learning that they won't get any back unless they give out more, but at least they're being very stingy about it.

The slow growth in the U.S.

money supply and the high level of interest rates are likely to or interest rates are likely to further slow the growth of the U.S. economy. Our current trade deficit, running at a rate exceeding \$100bn a year, is likely to narrow. What will be the effect on the much heralded but barely noticeable European economic recovery whose strength is supposed to buoy commodity prices?

commodity prices?

The supply and demand for commodities are but a part of the equation. The supply and demand for money, now dollars, are key determinates.

The U.S. budget deficit is the last remaining engine of inflation. Already substantially lower than estimated six months and a year ago, it is under heavy political attack and its relative size and in-

and its relative size and influences are likely to diminish. Heaven help us all if that budget is balanced in the next

few years! Inflation rates in colones, Inflation rates in colones, pesos, dinars, lira, and quintales are all irrelevant. If world-wide debt were denominated in hollwares the problem would be quite different. Messrs Edwards and Kaletsky and even Mr Samuel Brittan have failed to appreciate that dollar inflation is yesterday's issue.

R. Thomas Sour.
Gruntal & Co Inc,
14 Wall Street,
New York, NY 10005.

Price sells in accountancy

From Mr M. Ferry
Sir,—I read (August 30)
with interest of the proposed merger between the accountance firms of Price Waterhouse and Deloitte Haskins and Sells. Could I be the first to suggest the name "Price Sells" for the new partnership. It might assist in improving the commer-cial reality of the profession which is long overdue.

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on 0582 24182, or fill in the coupon. We may not always be cheaper in terms of

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YOUR BUSINESS IS WORTH IT.

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Insurers

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in insurance premiums for vessels

The move has been taken by the

oint hull committee of the institute

mittee is formed of representatives

from Lloyd's underwriters and executives drawn from more than 100

insurance companies which are

members of the institute. The deci-

sion to raise rates has been taken

because "of the continuing very

poor results in the hull underwrit

charge at least 10 per cent extra -

on top of already agreed market in-

creases - for shipowners with poor records. There is likely to be a big increase in the cost of insurance for

Lloyd's and the London insur-

ance companies insure about 40 per cent of the world's shipping fleets.

Both Lloyd's and the insurance

companies work closely with each

other to establish rates at agreed

levels which are expected to be fol-lowed throughout the market. Un-

derwriters can raise their rates

above the levels agreed, which are

The joint hull committee estab-

Under the revised rating scales

an owner of a small fleet or just one

57 per cent compared with 46 per

cent under the previous scales.

Fleets with good records, main-

per cent, need not face any in-

Mr Dick Outhwaite, committee

chairman, said there had been very

few breaches of the understandings

underwriters had largely followed

rather than undercut the rates to

win business away from rivals in

"Over the last 12 months there

committee has had fewer problems

the London market.

years," he said.

reases under the scale of rates.

treated as a "minimum" rate.

shipowners.

ng market," the committee says. Underwriters have been told to

raise

MITTERRAND IN RABAT TO DISCUSS LIBYA-MOROCCO UNION TREATY

Action close on N. Africa accord

BY PAUL BETTS IN PARIS, RICHARD JOHNS IN TRIPOLI AND FRANCES GHILES IN RABAT

paid a surprise visit to Morocco yesterday for private talks with King France over the deaths in custody Hassan as Morocco and Libya pre- in Morocco of several students pared to approve a treaty of union in the next two days.

France has 3,300 troops in Chad, helping the Government there resist rebels backed by neighbouring Libya. Although it has not ex-pressed opposition to the proposed union and has good relations with Morocco, observers believe the union could have important implications for the French Government. Under the treaty, signed earlier this month by King Hassan and Colonel Muammer Gadaffi, the Libyan leader, aggression against one of the countries constitutes an at-

M Mitterrand's visit coincides with a visit to neighbouring Algeria and Tunisia by M Claude Cheysson,

Tiffany

sold by

Avon for

\$135.5m

MIDDLE EASTERN investors are

expected to take a significant stake

in the \$135.5m management led

buyout of the 147-year-old Tiffany

& Co., one of the world's most exclu-

sive jewelery firms, announced yes

Avon Products, the U.S. cosmet-

Tiffany, whose headquarters on

mark, to a group of investors led by Mr William Chaney, Tiffany's chair-

Mr Chaney, who joined Tiffany from Avon in 1980, refused to dis-

close the names of the new inves-

tors in Tiffany but said that the

Bahrain-based investment bank, In-

vestcorp will participate in under

writing and placing the investment

internationally, while Lehman Brothers will work with Tiffany

management and Investcorp in the

Tiffany management is expected to be the single largest investor in

the firm and a "minority interest"

will be placed with international in-

Avon was understood to be ask-

ing about 5160m for Tiffany, which

earned \$2.1m on sales of \$125m last

year. Several well known names

such as Sears Holdings, a UK con-

glomerate, were known to be inter-

ested in buying Tiffany. In addition, several Middle Eastern investors

were rumoured to be wanting to

buy what is one of New York's most

U.S. placements.

tack on the other.

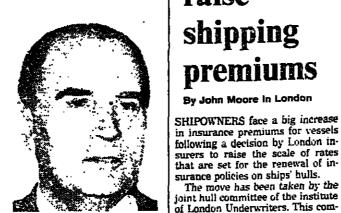
jailed after riots there last January. Moroccans are to vote in a refer-

endum today on the union proposal, Hassan attends tomorrow's anniversary celebrations in Tripoli of his 1969 revolution at which he is likely to announce formal approval of the

PRESIDENT François Mitterrand, French Foreign Minister, and with at the Libyan Consulate in Rabat baid a surprise visit to Morocco yes- a wave of public indignation in for work permits.

Diplomats in both countries regard the planned union with a fair degree of cynicism although the French and the Americans are more concerned. They emphasise which had already been debated by the lowest common denominators local people's congresses in Libya underlying the accord - the bad re-Col Gadaffi is anxious that King lations of both countries with Algeria and their relative isolation in the

egion. From the Libyan point of view, the treaty is seen as affecting Col Gadaffi's frustration over Libya's As part of the agreement, Libya exclusion from the alliance agreed is believed to have undertaken to last year between Algeria, Tunisia, help its prospective partner by and Mauretania. King Hassan is funding economic joint ventures bethought to have been quite as active
tween the two countries, providing
oil on preferential terms, and easing unemployment problems in the Kingdom by engaging Moroccan la- prochement is thought alone to bour. Workers are already queuing have justified the exercise.



M François Mitterrand

fi evidently hoped that his move to-wards unity with Morocco might lead to a wider grouping including

Citroën output resumes despite disruption threat over job cuts

BY PAUL BETTS IN PARIS

threats by militant union leaders to

opposes the company's decision to make 1,900 compulsory redundante largest number of Citroën make 1,900 compulsory redundan-cies approved by the new Socialist

Government earlier this month.

The redundancies are the latest in a series of labour cuts at Peugeot, the troubled French private car ics group, yesterday agreed to sell group which owned the Peugeot, Talbot and Citroën marques. They are part of the company's efforts to New York's Fifth Avenue is a landcut losses totalling about FFr 8bn (\$906m) for the last four years.

In an effort to avoid repeating the violent labour clashes at Talbot early this year over redundancies, Citroën has taken extremely tight security precautions at its large plant

THE CITROËN car plants near Pa- closed and workers had to enter tude to the Socialist Government, ris reopened yesterday after the summer holiday closure despite trances showing identity papers. which no longer includes Communist ministers. trances showing identity papers.

Aulnay, which employs a large number of North African immidisrupt production.

The pro-Communist CGT union grants, was occupied by union

> layoffs involve the Aulnay factory where 866 workers have been made redundant and 1.500 have left either by taking special incentives or retiring early.
>
> The trade unions have accepted

> volve compulsory redundancies. But the new French Government appears intent on adopting realistic industrial policies and has acknowledged the need for the French automobile industry to make large labour cuts to remain competitive.
>
> The reopening of the Citroën

at Aulnay sous Bois near Paris.

The main gates of the plant were

plants was seen as a first test of the where a top pro-Communist CGT union's attiis expected.

The CGT has adopted a cautious posture although M Henri Krasucki, CGT secretary general, warned that the Citroen and Government decisions to make large redundancies was "dangerous and a source of social conflict."

A few scuffles broke out at Aullishes a formula for setting rates nay yesterday when some workers which is based on the credit balance insisted on entering the plant by the main gates. The CGT also held of an insured fleet. The credit balance is the difference paid by the layoffs as long as they do not in-volve compulsory redundancies. a rally outside the factory although the company reported that 80 per shipowner for the insurance of his fleet and the claims paid out. cent of employees turned up for Citroën refused to let the redun-

dant workers enter the factory yesterday as the CGT had demanded.

ship, whose insurance claims were producing a deficit in the under-writers' balances of 25 per cent, The Citroën conflict comes at a would face 78 per cent increase in premiums. A small fleet with a delicate moment for Peugeot, where a top management reshuffle reak-even record under the revised scales will face an increase of

Paris compromise on private schools Fleets with good records, maintaining a credit balance of about 50

BY DAVID HOUSEGO IN PARIS

THE QUARREL over the future of tem. The state, however, contrib- and is known to be a leading thinkcipitated the cabinet reshuffle in finance. July, appears to have been resolved.

M Jean-Pierre Chevenement, the night put forward proposals which after the new government of M

France's private schools, which pre- utes the bulk of private education's er in the party.

This compromise, which has been Education Minister, on Wednesday achieved little more than a month were welcomed by both the Catho- Laurent Fabius took office, demonlic teachers' and parents' associa- strates the Socialists' anxiety for tion and supporters of state schools. national reconciliation and to avoid He proposed abandoning the Social- a sectarian image. It is also an ist Government's original objective achievement for M Chevenement, of a unified national education sys- who resigned after a difficult term tem and recognising a private sys- as Industry Minister in March 1983,

Ministers admit that the June for setting rates in the market, as demonstration in Paris of people

supporting private schools was the the committee recommendations decisive factor that led M Mitterrand to drop M Pierre Mauroy as Prime Minister. Before the cabinet reshuffle. M Mitterrand countered his opposi-

has been a greater recognition that tion, which had been demanding a it made sense to keep within the referendum on the future of private spirit of the understandings to schools, by proposing a referendum everybody's benefit. Certainly the on personal freedoms. in the last 12 months than for many

British unit trust rejects

By John Moore in London

M & G Investment Management, the UK unit trust group and one of the biggest users of the British securities market, has told the London Stock Exchange that it should not be "panicked" into radical changes.

Mr David Fopkinson, chairman

of M & G In estment Management. said today in a letter to Sir Nicholas Goodison, the stock exchange chair-man, "Our view at M & G is that the stock exchange council would be wise to proceed at a measured pace, and should not be panicked either by the Government or the Bank of England or the powerful institutions into radical changes which would be difficult to reverse and to sort out if proved impractical in op-

In his letter Mr Hopkinson, an influential personality in the London financial community, said the stock exchange should keep in mind that: Markets should be conducted to protect both private and institutional investors from fraud and false

The public should have confidence in the efficiency and probity of the stock exchange. The market should be organised

to make it as simple as possible for smaller companies to raise new capital. It should also be organised to ensure sufficient market-makers so that liquidity in second, third and fourth line stocks does not dry up. The market should not be in such turmoil administratively that stock and share flotations are ad-

versely affected ■ The market should not fall into the control of too few financial

Mr Hopkinson is worried about the conflicts of interest which are likely to be created by the new structures being formed within the City as part of a financial services

THE LEX COLUMN

North Sea saved from minnows

Finding and producing oil in the North Sea has been child's play for years compared with adjusting to the heavy swell and sharp climatic changes which confront the sector's tax accountants. Describing the offshore industry as a free market in these conditions may be a little dis-ingenuous; but this is unlikely to restrain the City of London's criticism of yet another North Sea guideline from the Department of Energy as a diabolical act of heresy against the Government's own eco-

nomic philosophy.

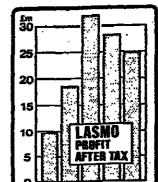
At least the guideline makes no bones about the Government's intent, to limit future transfer deals aimed solely at tax efficiency. And the consequence will presumably be a less complex fiscal environment than might otherwise have develop-ed. Still, the motive of sheer administrative convenience could almost have been as important as any savings for the Exchequer.
Estimates of potential tax lost on the two major licence carve-ups to

date have to take account of the fact for the year - and where this will that for many companies a liability leave net income is still anyone's has been deferred, not cancelled, and few actual beneficiaries would aspire to anything like total tax effi

While quantifying the likely net losses on the Forties and Claymore deals is difficult in toto – anywhere from £¼bn to £½bn might be feasible - attempts to assess and compare the impact of the change on individual companies is probably wholly specious. One result of the North Sea's complexity, after all, is that there are hardly two companies to be found with the same approach to tax accounting and the point was heavily underlined by yesterday's results from Charterhouse Petroleum and Lasmo.

Charterhouse's conservative tax policies, taken together with some lavish depreciation charges, largely explain why the jump in the group's net income from £2.2m to £5.0m for the six months to June has fallen a little behind what the market expected after the leap in production levels. But Charterhouse's recent growth, which has exemplified the success of the most enterprising North Sea companies in exploiting the tax opportunities of the sector, has earned the group a convinced following in the City of London: the shares dropped only 4p to 142p.

Now emerging as a full-blooded protential to keep its shareholders hap-



The difficulty of anticipating Lasmo's 1984 tax account, meanwhile. only adds to the academic nature of erday's interim results: they say less than does the group's suc-cessful exploration programme about its fast improving prospects. Pre-tax profits have stayed flat at £56.3m but could reach £125m or so

It is just as well for Ladbroke

Fleet Holdings

Behind the brouhaha of bid rumours and bingo wars, Fleet Holdings is doing really rather well. As usual, the unsung hero in the sec-ond half of the year to June was the magazine division, which pushed its trading margin from 12 to a remarkable 17 per cent. But within the £8m jump in group full-year-profit to £17.5m (not counting the £4.6m from Reuters), the national newspapers did very creditably, too. There second-half margin of 3.3 per cent might look poor by most indus-try standards, but in a Fleet Street context it is positively businesslike.

Whether it can be sustained in the current year is an open ques-tion. Given forward buying, the 7 per cent June increase in newsprint costs may not take full effect until the new year. As to the £1m bingo handout to which the group is committed in the immediate future, the effect on the p&l is very hard to judge. The group claims already to have paid out more than that on the Millionaire's Club game started last October; and given operational gearing, even a temporary rise in ducer, Charterhouse may offer less circulation can have an offsetting exciting exploration prospects but effect. More damaging than bingo, ought to have enough upstream poperhaps, is the possible effect on advertising revenues of miners' and dockers' strikes.

as much to takeover as to trading. Mr Robert Maxwell, who recently bought the rival Mirror Group de-scribes his 10 per cent holding as strategic, it is that with a venge-ance. It being presumably out of the question for him to own Fleet, the question of whether to sell, and to whom, offers numberless permuta-tions. Commercial logic might even suggest finding a buyer who would suggest maing a never was would close the loss-making Daily Star, thus leaving the Daily Mirror a clearer field. The 5 per cent stake held by Mr Ashrai Marwan - an associate of the Observer's proprietor
- suggests more combinations

In the absence of bid rumours, Fleet's shares might be worth some-thing around their 170p asset value: as to their full bid value, guesses range as high as 250p. With the shares now at 200p, the market is evidently having difficulty in figuring the angles.

Ladbroke |

that its rights issue in June could be launched at the annual meeting. without need of a profit forecast. For the vagaries of racing form at the time were capriciously destroying margins in Ladbroke's betting shops, so that for the six months to July 3 the pre-tax total was a disap-pointing £14.2m, almost £2m below the 1963 figure. Of course Lad-broke's ability to recoup the damage during the rest of the year is scarcely in doubt, the odds against an efficient bookmaker having a prolonged run of bad luck are known to be astronomical. In any case, the full-year outcome

will reflect more faithfully some generally improving results in Lad-broke's other activities. Hotel occupancy levels have risen, and room rates have hardened sufficiently to close the gap which used to sepa-rate provincial from international

If this trend holds up, Ladbroke will clearly feel encouraged to race full tilt into its programme of hotel development. And property development, after all, is providing an increasingly important slice of group earnings (as well as absorbing large amounts of cash). If it is now un-£50m for the year, the shares at least have a forecast yield of more than 7 per cent to stop them drifting far below vesterday's 200p.

Handling of Novo results bruises image

opening up of new markets. both geographically and in terms of in-novative products. Until now, the stock market has been convinced that rapid expansion can continue into the medium term, and analysts have been encouraged by the comdent projections about the next five

However, in the wake of last week's results, many analysts in sessing whether Novo is now encountering more serious resistance short-term fluctuations, however, to its attempts to maintain and in- and it may now have to change its crease such large world market Certainly the analysts are ag-

grieved. "It is absolutely appalling," says one, tearing up a forecast of pre-tax profits of more than DKr 500m for the first ball. Tovestors are pretty irate," complains an-According to Mr Kurt Anker Niel-

sen, the Novo executive in charge of investor relations, analysts could have predicted that the first half of the current year would be less buoyant than the second half, and one or two did. He admits, however, that there was an unexpected deterioration in sales growth in the sec- curred in the first six months.

Nyorld Weather

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Local Localino Localino Localino Localino Localino

ond quarter, which became evident only after the analysts were last briefed in May and early June.

Moreover, the markets were not pleased that it took some hours for the Novo board to agree on a form of words to accompany the results on August 23. Consequently the statement came out after the European markets had closed. Until now. Novo has not made a

practice of commenting on prospects for shorter periods than a year. It seems to have underestimated the markets' reactions to approach - not least because in accordance with the requirements of the New York Stock Exchange it will need to report on a quarterly basis from January-March 1985 onwards.

A number of factors led to the

first-half slowdown. Most were known to investors, but their significance may not have been fully apreciated. For example, the deal Connaught Laboratories through which Novo entered the Canadian insulin market will not produce its full benefits until the second half of this year, whereas extra costs were already being in-

C-Cloudy D-Brizzle F-Foir Fg-Fory H-Half R-Rein S-Sum SI-Steet Sn-Surey T-Thursday

Inventory problems in the UK market for insulin may be only temporary, but there has also been a sharp slowdown in the vital U.S. market, where, according to Mr. David Dible of stockbroker Wood Mackenzie in Edinburgh, sales only rose 4 per cent in the second quar-ter. He deduces that the U.S. producer Lilly may be hitting back at the rising market share of Novo, which markets through Squibb in the U.S. For the full year, Novo's

> Another U.S. problem has cropped up in the enzyme market, where an important customer, Archer Daniels Midland, bas begun to make its own enzymes for some types of starch processing - pro-ducing half its requirements for production of high-fructose corn syrup and free alcohol at this stage.

Continued from Page 1

Fives' share of the FFr 250m

starting capital of the new company

will be put up by its other partners.

sortium to maintain the private

held out for heavy cuts in the work-

celerate from 40 per cent to only 10

That development seems to have sharpened competition in the whole starch-processing sector. On the other hand, U.S. demand for detergent enzyme is said to have been strong, although from a low base only some 15 per cent of U.S. detergents contain enzymes against 60-70 per cent in Europe.

year's time.

tergents has its origin mostly in allergy scares in the 1970s. Novo has devised techniques such as encapsulation in protective layers to overcome this, but the problem recently surfaced again in the UK with the controversy over Unilever's New Formula Persil.

Overall Novo remains confident that it can bounce back quickly from a disappointing first half, but it does not claim that it can return U.S. insulin sales growth might de- to the exceptional growth rate of recent years - peaking in 1983 when sales climbed 25 per cent and pretax profits jumped by more than half

According to Mr Nielsen, Novo has scaled down its sales growth projections from the 20-25 per cent range to around 20 per cent - and he admits that the company may narrowly accept even that target in 1984, although with a little more buoyancy next year.

Such a deceleration was bound to have an impact on the stock market rating of Novo. Perhaps more seriously, however, the markets are no longer willing to accept that the Novo management is closely in touch with changing patterns in demand for the company's products.

manufacturer, and Clecim, which

produces equipment for the steel in-

It is to shed a large number of

er, and Instruments SA, manufac-

Paradoxically, the rail industry

arm of Creusot-Loire, situated at Le

Cuts at Creusot-Loire

of the new company. Fives will Banque de l'Union Europeenne.

have the dominant voice in defining The new company is to hold on to

industrial policy, with a possibility Creusot-Loire's subsidiaries of

of assuming majority control in a Neyrpic, the energy equipment

including Usinor, the loss-making other subsidiaries, including Phoe-

state steel group, which will hold 15 nix Steel in the U.S., Delattre-Leper cent. The Government was vivier, the civil engineering compa-

keen to have Fives within the con-

The other shareholders are the Creusot, and Carel et Fouche, its

four nationalised banks, Credit Ly-onnais, Société Générale, BNP and are to be sold back to Schneider

character of the group, but Fives turer of measuring equipment.

SE changes

the North Sea. Each of the four locations will contain a Ferranti PMS. All systems are interlinked

Composing figures Alden Press, part of the Alden Printing Group, has signed a contract with Ferranti Computer Systems.

Briefly . . .

The Kolimorgen Corporation of the United States and Ferranti Computer Systems, Bracknell Division, will collaborate in the marketing of a fire control system suitable for tanks and fighting A major stockbroking com-

pany, L. Messei & Co. has chosen a Ferranti GTE GTD 1000E Private Automatic Branch Exchange (PABX) to equip its new City of London

ADVERTISEMENT COMMUNICATIONS

NEWS REVIEW The Communication Systems

BUSINESS £1.3m contract for PMS A contract, worth £1.3m to supply four standard Process

Management Systems (PMS) to Hamilton Brothers Oil & Gas, has been won by Ferranti Computer Systems Wythenshawe Division, The control and data acquisition facilities (SCADA) for the Esmond gas development complex in UK Block 43 of

for distributed process con-trol and are capable of operating autonomously.

for the supply of a CS7-15 computer composing system. The system will be used primarily for the setting of books and journals which incorporate a wide range of mathematics. The multi-level maths setting facilities allow complex data to be handled via a simple keyboard, using very few keystrokes.

Permanent links

Group of Ferranti Industrial Electronics is to supply and install broadband microwave radio relay systems linking two radar sites to a control centre at the Ministry of Defence range at Castle-martin. The order follows one placed in autumn last year for a similar requirement at MoD's Shoeburyness range.
The systems to be installed are based on the widely used Type 14000 series of microwave radio relays, configured to carry dual radar signals from S-band and X-band scanners.

The Ferranti involvement in the provision of broadband link systems for radar remoting started in the 1960's and similar systems are in service in many major British ports and harbours. In addition Type 14000 systems for both vessel traffic and air traffic and air traffic control have been exported worldwide and are available in all the CCIR bands from 1.7GHz to

15.1

1.7

1

The current orders form part of a programme to update and improve facilities at several Ministry of Defence ronges.

Temporary

OFFSHORE

communications Ferranti Offshore Systems (FOSL) has provided two temporary communications

cabins for use on the Tyra East and Tyra West production platforms located in the Danish sector of the North Sea Supplied under a rental contract to Dansk Boreselskab AB of Copenhagen, the cabins provide instant and compre-

hensive communications facilities during the installation and commissioning of the platforms' permanent sys-tems. FOSL also supplied two radio operators to operate and maintain the cabins' equip-ment which includes marine and aeronautical VHF systems. HF radio. teleprinters and a satellite station giving communications via the INMARSAT system. This simple and efficient

solution to communications problems during offshore-construction work is just one of the wide range of project design and engineering services communications and support vices, equipment and support which Aberdeen based ROSL specialises in providing for the offshore industry both in the North Sea and around the

The good news is FERRANTI Selling technology

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banking services BRIGHTON LONDON 01-236 2736 SECTION II - COMPANIES AND MARKETS NANCIALTIMES

Friday August 31 1984



WALL STREET

Premature arrival of **Labor Day**

THE RUN-UP to the Labor Day holiday weekend again took its toll on Wall Street financial markets yesterday, writes Michael Morgan in New York.

In the credit markets, prices of U.S. Government notes and bonds were mixed where changed in lacklustre trading, with many investors already absent.
The federal funds rate opened firmer at 11% and reached a high of 111% despite five-day system repurchase agreements by the Fed when the rate stood at 11%. By the end of trading, the rate was

back down to 11%. At the close, the Dow Jones industrial average was down 3.94 at 1,223.28 on volume that dipped to 71m shares from the previous day's 91m. Reflecting the broader market, the American Stock Exchange was down 0.19 at 214.64.

The Treasury's continuing funding op-erations provided additional restraint to the bond markets. Yesterday's offering of \$8.25bn of one-year notes produced a yield of 10.84 per cent compared with the 10.79 per cent yield at the previous auction on August 2.

Yesterday's auction followed Wednesday's sales of \$6.5bn in five-year notes

Frankfurt Commerzbank

Paris CAC General

1981

Aug. 30 Previous Year ago

564.0

10,586.27 10,579.89 9,195.92 816.87 817.34 677.9

735.7

464.4

53.31

156.56

2.379.7 2,382.31 2,450 4

186.9

110.7

340.98 988.4

922.77 897.59 971.08

131,4

263.59 265.26 203.73

903.9

137.66

1,471.75 1,491.32 1,497.84

3796

Prev

184 8

August 30 \$348.50

\$347.50

\$347.50

\$349,14

\$348.60

\$347 60

928.62 924.77

220.18 201.91

117.09 118.66

10.56

1,226.92 1,196.04

519.12 538.21

130.06

984.2 451.35

489.09

672.5

594.9

55.15

132.69

Yr ago

85.6

914.3

112.9

988.12

114.33

331.1

Yearago

176.1

\$350.00

\$350.50

\$349.75

\$349.53

\$349.20

S350.90

10.81

1982

1983

DM

BFr C\$

1984

8.8535

2.404

1789.5

58.175

1.29825

(3-month offered rate)

DIE

FFr

3-month U.S.S

6-month U.S.S

(offered rate)

U.S. Fed Fun

Tressury

13%

12%

U.S. 3-month CDs

1991 1994

12% 2014

10% June 1990

3% July 1990

8% May 2000

10% May 1993

Abbot Lab

CHICAGO

8% 32nds of 100%

\$1m points of 100%

\$1m points of 100%

\$1m points of 100%

Silver (spot fixing)

Off (spot Arabian light)

Copper (cash)

Coffee (Sept)

20-year Notional Gitt

£50,000 32nds of 100%

LONDON

Sept

Sept

U.S. Treasury Bills (IMM)

Certificates of Deposit (1966)

Diamond Shamrock

Federated Dept Stores

AT & T

U,S.3-month T-bills

1980

NEW YORK

FT Ind Ord

FT-SE 100

FT-A 500

Tokyo SE

AUSTRALIA

Alt Ord.

AUSTRIA

BELGHIM

CANADA

Metals & Mins

Credit Aktien

Belgian SE

Composite

Montreal Portfolio

DENMARK

FRANCE

CAC Gen

Ind. Tendance

WEST GERMANY

Commerchank

HONG KONG

Hang Seng

Banca Comm

NETHERLANDS

ANP-CBS Gen

ANP-CBS Ind

HORWAY

Oslo SE

SINGAPORE

Industrials

Streits Times

SOUTH AFRICA

WITZERLAND

Capital Int'i

VORLD

London

Frankfurt

Paris (fixing)

Luxembourg (fixing)

New York (Sept)

Swiss Bank Ind

ITALY

Toronto Metals & Minis

Copenhagen SE

FT-A All-share

FT Gold mines

FT-A Long gilt

DJ Industrials

DJ Transport

S&P Composite

STOCK MARKET INDICES

1.223.28

518.47

1,101.9 1,096.0 518.82 516.13

10.58

734.8

461.9

53.18

156.61

Aug 30

116.92

186.03

111.1

987.2

129.9

138.55

380.1

Aug 29 185 1

GOLD (per ounce)

2.039.0* 2.050.91

KEY MARKET MONITORS

which drew a stronger response from investors than expected.

In trading yesterday, the five-year note dipped %: from the auction level to 993%. Other short and intermediate coupon issues were narrowly mixed while at the long end, the price of the key Treasury long bond, the 12% per cent of 2014, firmed % to 991%.

The three-month Treasury bill dipped three basis points to yield 10.63 per cent while the six-month bill, yielding 10.74 per cent, was one basis point lower.

The opening level of 11% per cent for federal funds compared with the previous day's lower closing level of 11 per cent which was attributed to activity on the last day of the two-week bank reserve accounting period.

Money market rates edged higher while corporate bonds were little changed in light trading.

On the New York Stock Exchange, oil stocks were among the most actively traded, amid the growing view that oil prices have now bottomed. Atlantic Richfield added S% to \$50% after a block of 200,000 shares had been crossed at

Standard Oil of Ohio was up 51% at \$48%, Exxon was unchanged at \$43% and Amerada Hess traded 5% higher at \$28% after a block of 144,000 was crossed at \$29. Philips Petroleum added \$\% to \$39\%.

Financial Corporation of America dipped \$1 to trade at \$5% after a block of more than 1m shares had been crossed at \$4%. The decline came after reports that Federal regulators were drafting plans that could include a guarantee of all deposits at the troubled deposit-tak-

In the motor sector, General Motors traded unchanged at \$72%, and Ford added \$% to \$42%, despite being targeted by the auto workers' union for possible

strike action next month. Chrysler added \$1/2 to \$291/4. Ramada Inns, subject of recent take-over speculation, continued as an active feature but gave up \$% to \$7 following the previous day's \$% advance.

Teledyne traded down \$1% to \$276%, Burroughs \$1% to \$55%, NRC \$% to \$26%,

and General Dynamics \$1% to 565. Among aircraft manufacturers, McDonnell Douglas was off \$% at \$67% while in foods, Carnation added \$% to \$73% following press comment on continuing takeover speculation.

Colgate-Palmolive shed \$\% to \$23\%,

Du Pont eased 5% to \$49% and Texas Instruments was unchanged at \$144%. Of the most actively traded stocks on the American Stock Exchange, Dome Petroleum added \$11/16 to \$25/16, and Gulf Canada put on 5% to \$14% but Tie Com-

munications dipped 5% to \$13%.

EUROPE

Aftershocks continue to be felt

THE AFTERSHOCKS of the West German metalworkers' strike continue to be felt. VW and Brown Boveri, the latest companies to attribute depressed results to IG Metall's action, helped push a featureless Frankfurt lower in thin trading.

The Commerzbank index slipped 1.4

1200

31150

1984 Aug

1.311

3.785

316.25

11.605 3.1475

2347.0

1.702

76.3

41%

51/16

11%

12 12%

11.50*

10.63*

Yield Price

12.54 992%2

10.60 71.00

12.80

13.25

12.83 98³1/₂₂ 12.81 12.55 99¹1/₂₂ 12.55

Yield Price Yield 12.90 89% 12.90

12.87 1041/2

STERLING

1.3155

3.7825

316.5

11.625

3.1475

4.275

2349.5

76.4 1.7065

10%

5%s 5%s

11%

12

11

12%

11.45

10.65

12.84

CURRENCIES

240.6 8.83 2.39

3.249

1785.0

58.025

1.29955

INTEREST RATES

U.S BONDS

Aug. 30°

10% March 1993 87% 13.15 87% 13.15

10% May 2013 90.342 13.30 90.342 13.30

11.80 Feb 2013 89.00 13.30 89.00 13.30

12% Dec 2012 89.00 13.30 89.00 13.30

FINANCIAL FUTURES

sury Bonds (CBT)

Latest High

65-15 65-20 65-06 65-13

89.60 89.63 89.57 89.61

88.47 88.48 88.44 88.46

88.34 88.38 88.32 88.32

105-17 105-22 105-07 105-20

578.06p

\$28.05

£1.044.50 £1.043.50

€2,415.00 €2,424.50

Prev 580.90p

\$28.05

COMMODITIES

89%

71.00

86%

Price

U.Ş. DOLLAR

VW, which reported a higher first-half loss, shed DM 4.50 to DM 173, leading other car issues lower. BMW was DM 4.50 off at DM 383, Daimler DM 6 down at DM 543 and tyre maker Conti-Gummi 30 pfg lower at DM 114.30. Only Porsche held out, adding DM 1 to DM 980.

Brown Boveri's loss of DM 1.70 to DM 199.30, on news that its results would be affected by the metal strike, was unusual among firmer engineers. GHH added DM 3 to DM 138, Linde DM 4.50 to DM 363 and KHD DM 8.50 to DM 233 after forecasting a sales increase this

High-tech issues turned mixed after strong recent gains; IWKA rose DM 6.50 to DM 252,50 while Nixdorf shed DM 4 to DM 539.50.

Store group Horten lost DM 1 to DM 174 after BAT Industries said it would not be increasing its stake. Bond prices firmed as investors con-

tinued to take heart from Wednesday's low inflation figures. The Bundesbank sold DM 45m in paper, against DM 48.7m the previous session. Early losses in Amsterdam were part-

ly recouped leaving most prices narrowlower. The ANP-CBS index, calculated at midsession, rose 0.5 to 164.60. Among insurers, Amev added FI 2 to Fl 162 following better first-half figures,

but Aegon, also announcing improved results, lost Fl 2.50 to Fl 115.50. Bonds continued Wednesday's higher trend on the back of the successful state

Paris ended mixed with a firmer bias. Poclain was the most active, adding FFr 5 to FFr 54.5. Roussel-Uclaf added FFr 50 to FFr 1,350, and Thomson-CSF FFr 8 to FFr 348 - both new highs for the year. Peugeot eased FFr 4 to FFr 211.

In Brussels, where prices ended steady, a mood of consolidation appears to have set in. Solvay drifted BFr 10 low-er to BFr 4,265. Kredietbank gained BFr 50 to BFr 6,950, and Société Générale BFr 20 to BFr 6,990.

Selective buying sustained Zurich which ended firm. Electrowatt added SwFr 10 to SwFr 2,470 on results, Alusuisse SwFr 3 to SwFr 780 and Nestlė SwFr 35 to SwFr 5,445.

Bonds closed quietly mixed. Volvo's lower than expected first-half report turned Stockholm lower, with the car maker shedding SKr 10 to SKr 241. Electrolux dipped SKr 1 to SKr 251 ahead of its sharply improved profits. Novo Industri steadied at DKr 1,935 in

mixed Copenhagen dealing. Milan was firm as Fiat gained L50 to L4,540, Pirelli L25 to L1,895 and Montedison L2 to L1,254. Bonds were little changed in quiet trading.

All sectors except foods posted gains in a higher Madrid.

AUSTRALIA

AWAITING signals from overseas bourses, most investors in Sydney stayed on the sidelines, and the All Ordinaries index closed 0.9 down at 734.8.

MIM Holdings, however, recovered I cent of the previous session's loss to end at AS2.98 after results, while other trading statements saw Peko-Wallsend unchanged at AS4.90 and C.J. Coles 5 cents up at A\$3.97.

Mines yet to report were mostly easier, with CRA 4 cents down at A\$5.24 and Central Norseman Gold 6 cents weaker at AS5.20.

SOUTH AFRICA

A LACK of direction became apparent in Johannesburg gold shares in line with the bullion price.

Some leading mines, however, managed gains, with Buffels R1.25 up at R79.50, Free State Geduld 25 cents firmer at R51 and Driefontein 25 cents higher at R49.50.

De Beers was again sought after rising 15 cents to R9.10, although Barlow Rand slipped 20 cents to R11.80.

TOKYO

Eight-day rally adds small gains

INCENTIVE-BACKED issues were the focus of attention in the absence of any strong motivation in Tokyo yesterday, writes Shigeo Nishiwaki of Jiji Press.

The overnight decline on Wall Street dampened investor enthusiasm with only Sony, Koycera, Sankyo and Tanabe Seiyaku making strong gains.

Despite the sombre mood, the Nikkei-Dow Jones market average was up for the eighth straight session with a rise of 6.38 to 10,586.27. Volume fell sharply to 288.37m shares from Wednesday's

The total gain of 100.30 points is much smaller than other eight-day rallies. Past gains ranged from a low of 164 points in June 1976 to a high of 520 points in March 1984 and averaged 276

An official at Nikko Securities commented that the market is really "abnormal" and that many investors are staying on the sidelines for a lack of incen-

Sony, which ranked second on Wall Street's active list on Wednesday with 1.72m shares changing hands, was bought early in the morning and rose Y140 to Y3,520.

Kyocera gained Y170 to Y6,400 on reports that it had scored a 74 per cent increase in consolidated pre-tax profits for the April-June quarter.

Sankyo gained Y12 to Y820 on increased recurrent profits estimated for the financial year ended last March. Dainippon Pharmaceutical and Tanabe Seiyaku also performed briskly, adding Y250 and Y35 to Y3,850 and Y1,000 re-

Blue-chip stocks eased across a broad front, with Hitachi losing Y7 to Y847 and Matsushita Electric Industrial Y10 to

Buying interest centred on incentivebacked issues. Pacific Metal climbed Y37 to Y500 on a bout of speculative purchasing and topped the active list with 19.6m shares changing hands. Shoko added Y61 to Y700, Enshu Y44 to Y419 and Okamoto Riken Gomu Y34 to Y390.

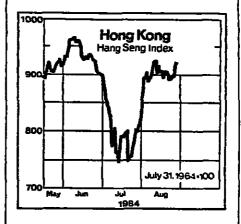
The incentive-backed issues that had been favoured in the past few weeks lost ground. Mochida Pharmaceutical shed Y120 to Y9,230, Tohoku Metal Y70 to

Y1,660 and Morinaga Y42 to Y560.

The bond market closed firmer with activity picking up slightly. As prices have been holding steady for nine days, some trust banks sold long-term government bonds with about nine years until maturity for profit-taking purposes. The bonds were bought by city banks, long-term credit banks, and financial in-

stitutions serving the agricultural and forestry sectors. The yield on the benchmark 7.5 per

cent long-term government bond due January 1993 slipped to 7.215 per cent from Wednesday's 7.22 per cent.



HONG KONG

PROPERTY shares sparked off a minor rally in Hong Kong amid suggestions that China will waive payment of land

premiums in the colony after 1997. The Hang Seng index closed 25.18 higher at 922.77 after being 1.17 off in the morning session.

Hongkong Land rose 18 cents to HKS2.90 while SHK Properties scored a 35-cent gain to HK\$6.30. Cheung Kong, due to report first-half results on Monday, advanced 25 cents to HKS7.50.

Hutchison Whampoa, in which Cheung Kong holds a 40 per cent stake, added 50 cents to HK\$11.

The firmness of properties spilled over into other sectors with banks well ahead. Bank of East Asia put on 20 cents to HKS19.50, Hang Seng was 50 cents dearer at HKS32.25 and Overseas Trust was 3 cents up at HKS2.80.

Elsewhere, Hongkong Electric was 10 cents higher at HKS5.80 while Hongkong Telephone, at HK\$43.50, was one of the few shares to finish unchanged.

LONDON

Ports put investors into storm

CONFLICTING signals from the capital's docks threw London markets into late confusion after a sedate opening-

Reports that the striking dockers had voted to return to work were swiftly denied by union leaders, leaving the situation extremely unclear.

Concern at the scale of disruption in

the ports caused investment activity to contract sharply, with the easing of Wall Street overnight also prompting caution. The FT Industrial Ordinary share index closed 2.7 up at 852.5 largely on brighter after-hours trade.

Gilts ended narrowly mixed without arousing much interest.

Chief price changes, Page 22; Details, Page 23; Share information service, Pages 24-25

SINGAPORE

COVERING interest and renewed buying pushed most shares up in Singapore with the Straits Times index 3.85 ahead at 928.62 on strong turnover.

Lee Kim Tah, the most active stock. added 12 cents to \$\$2.06, and Malayan United Industries gained 11 cents to

Pan Electric resumed trading after the acquisition of a major stake in a local property company. It peaked at SS2.91 before settling at SS2.85, up 5

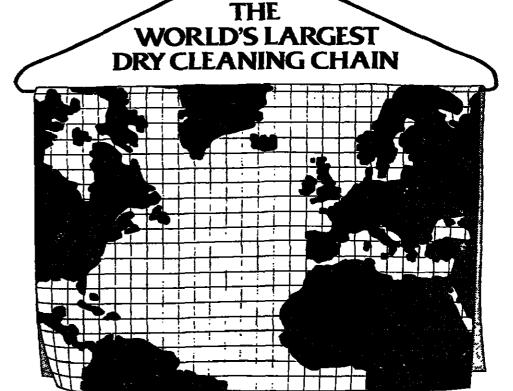
Elsewhere, National Iron rose 10 cents to S\$4.30 while losers on the day included Fraser & Neave, 95 cents off at SS4.95, Straits Steamship, 4 cents down at S\$2.14, and Malay Breweries, 10 cents cheaper at SS7.

CANADA

A DETERIORATION in golds became evident in Toronto, but this was more than offset by stronger base metal shares and oil and gas issues.

Industrials in Montreal were firm but, despite a marginally improved banking sector, this was insufficient to offset the weaker trend in utilities.

Group Cleaners PLC



Retail Dry Cleaning: After a good start, sales and margins were affected by hot weather and the miners' strike.

Textile Rental: Sales and profits continue to improve.

United States Companies: Recent acquisitions operating profitably and will contribute in the second half.

Unaudited results for the 26 weeks en	nded June 1984	June 1983	June 1982
	(£000)	(£000)	(£000)
Turnover Profits before tax Earnings per share (actual tax) Dividend (net)	31,211	26,870	24,219
	2,715	2,952	2,610 ·
	16.04p	15.76p	14.82p
	3.18p	3.00p	2.80p

Johnson Group Cleaners PLC, Mildmay Road, Bootle, Merseyside.

g est

11:12







Increased

earnings

Industries

By David Blackwell in New York

LITTON INDUSTRIES, the

U.S. defence and electroning group. lifted exemings from

continuing operations in the fourth quarter ended July 31 from \$69.1m or \$1.61 a share to \$73.9m or \$1.72 In the year

ago quarter a loss from discou-timed operations made a final net of \$63.6m.

For the year earnings from

continuing operations rose from \$250.9m or \$5.84 a share to \$277.4m or \$6.49. A \$35.9m gain from discontinued operations made a final net of \$313.4m this time, while a \$19.4m loss from discontinued

operations in the previous year made the final net \$281.6m.

Revenues in the quarter rise from \$971m to \$1.150n. For the

year revenues were up from \$3.96m to \$4.66m.

BY PAUL TAYLOR IN NEW YOR!

TURNER BROADCASTING System, the U.S. cable television group run by Mr Ted Turner, will launch a 24-hour-a-day music video network in late October.

The move will provide direct competition for MTV, Music Television, the first music television channel, set up in 1981 by Warner/Amex, the cable TV joint-venture involving Warner Communications and American Express, and reflects the growing market for rock music video programming.
MTV went public last month

when Warner/Amex sold 5.125m shares or a one-third stake in MTV Networks, the company which of-fers the music channel and a chidren's channel called Nickelodeon. for \$15 a share. MTV Music Television reaches 19.3m households and became profitable for the first time this year. MTV is one of the few profitable cable programming netvorks in the U.S.

Ramada Inns

in hotel sale

and lease talks

RAMADA INNS, the Arizona-based

motels and casinos operator, is dis-

cussing with its investment bank-

other hatel properties.

was about \$306m in 1981.



Mr Ted Turner: launching rival service

Mr Turner said his company would launch the rival service, called Music Video Network, on October 26 with 5m subscribers and double over the first 12 months.

The move could signal the start of a fierce competition between MTV and Turner. MTV Networks has already responded to the Turner plan by announcing a second 24-hour music network aimed at viewers aged between 25 and 49. The present MTV channel is aimed at a younger audience.

Separately, MTV Networks, in an apparent move to consolidate its grio on the music video segment of the cable market, announced earlier this week that it had signed longterm contracts with Telecommunications, the nation's largest cable TV operator with 2.8m subscribers at the year end, to carry all three of its services, MTV Music Television, Nickelodeon and its as-yet unnamed second music channel

Yesterday MTV Networks announced a similar agreement with American Television and Communisaid he expected to see that number cations, another major cable TV op-

Brown-Forman down in first three months

BY DAVID BLACKWELL IN NEW YORK

BROWN-FORMAN, a leading U.S. a repurchase programme andistiller with brands including Jack nounced in June. Daniel's whiskey, Southern Comers the possibility of selling and leafort and Martell, suffered a fall in sing back its three-year-old Tropicafirst-quarter earnings from \$19.5m na Hotel and casino in Atlantic City, New Jersey, AP-DJ reports. or 77 cents a share to \$15.8m or 63 cents a share.

The proposed transaction would Revenues increased from \$208m shed Ramada Inns' largest single to \$269m. Operating results of Leasset which was carried on the nox, the largest U.S. producer of China dishware which was acquired books as of June 30 at \$281m. The in July 1983, were not included in were disappointing, the quarter last year's first-quarter consolidated results. Earnings per share for sales performance in July. Our exfigure represents nearly half Ramada's \$599m in fixed assets, including The development cost of the 521the current quarter reflect the report sales showed a marked impurchase of about 327,000 shares of provement throughout the quarter." room Tropicana hotel and casino the company's common stock under he said.

Mr W.L. Lyons Brown Jr, chairman and chief executive, said wine and spirit sales fell 1.5 per cent in the quarter, although six of the major brands gained in worldwide sales from wholesalers to retailers.

"Although May and June results in the mine and spirits segmen provement throughout the quarter,"

NOTICE OF REDEMPTION to the holders of Debentures payable in Am

94% Sinking Fund Debentures Series BQ due October 1, 1985 (herein called "Debentures") of the

HYDRO-QUEBEC

PUBLIC NOTICE IS HEREBY GIVEN that the Hydro-Québec intends to and will redeem for SINKING FUND PURPOSES on October 1, 1984 pursuant to the provisions of the Debentures, the following debentures as indicated of the above-mentioned issue, at 100% of the principal amount plus accrued interest to the redemption date, namely:

Debentures to be so redeemed, will become due and payable in such cost or currency of the United States of America as at the time of payment is legal tender for public and private debts in said United States of America, at the office of the Paying Agent. Bank of Montreal Trust Company in the Borough of Manhattan. City and State of New York, United States of America or at any of the offices of the following Paying Agents: Bank of Montreal (Main Office) in the City of Montreal (Canada, Bank of Montreal in London, England, Kredictbank N.V. in Brussely, Belgium, the main offices of Commersbank Aktiengesellschaft and Westdeutsche Landesbank Grouventrak in Dusseldorf. Federal Republic of Germany. Commersbank Aktiengesellschaft in Frankfurf, Federal Republic of Germany, Kredictbank S.A. Usembourgeoise in Luxembourge. Grand Duchy of Luxembourge and Banque Francaise de Depots et de Tires, Paris. France, upon presentation and autrender of Dehenfures bearing the above numbers with all coupons maturing after October 1, 1984 attached. From and after October 1, 1984, interest on the debentures to be so redeemed will cease and interest coupons maturing subsequent to that date will be void.

Dated at Montreal This 31st Day of August 1984

HYDRO-QUEBEC

Hudson's Bay net losses

mount

By Our Toronto Correspondent HUDSON'S BAY COMPANY, the Canadian retailing group, suffered a C3105.9m (U.S.\$81.5m) net loss, equal to C34.90 a share, in the first six months of 1984, compared to a loss before construction. to a loss before extraordinary items of C372.8m or C\$3.50 a

share in the same period last

vear. The deterioration resulted mainly from higher losses in merchandising operations, higher interest charges and a C\$35.1m swing from a tax credit to an income tax liability. On the other hand, earnings from property investments more than doubled as a result of land sales in the U.S.

Operating losses fell from C\$6.1m to C\$5.9m, while total sales and revenues rose by 12.6 per cent to C\$2.1bn. Retail sales advanced by 8.6

per cent.

Mr Donald McGiverin, president, said, however, that keen competition had reduced keen competition had reduced margins. Merchaudising operations suffered a loss of C\$44m, about one-quarter higher than last year.

Mr McGiverin said that although Hudson's Bay normally earned the bulk of its merchandising income during the Christmas season, it would be "hard pressed"

it would be "hard pressed to improve on 1983's results

without a strong revival in consumer spending.

The company posted a net less of C318m last year, although the operating profit was C3125m.

Security Pacific buys rest of **Bank of Canton**

By David Dodwell in Hong Kong SECURITY PACIFIC, the SECURITY PACIFIC, the fast growing Los Angeles bank, has agreed terms on which it will acquire 100 per cent control of the Hong Kong-based Bank of Canton. The deal values Bank of Canton at HK\$1.1bn Canton at HK\$1.1bn (U.S.\$140m). Security Pacific bought a 69

per cent controlling interest in Bank of Canton in 1971. It is to buy the outstanding 31 per cent of the bank for a total of HK\$356m.

Mr Richard Flamson, the U.S. bank's chairman and chief executive, said the investment reflected Security Pacific's confidence in the future of Hong Kong, and its commitment to the Pacific basin.

branches in Hong Kong, and offices in Singapore, Malaysia, Thailand and Macao. Mr Ressel Fok, whose family has Ressel Fok, whose family has been associated with the bank for 50 years, will remain chairman. A company associated with Mr Fok will be entitled to buy a limited number of new shares in the bank, and can nominate up to four directors on its board. Shareholders' funds in Bank of Canton at the end of 1983 amounted to HK\$828.7m. Profits after HK\$90.1m.

Strong advance at Perkin-Elmer

By Our New York Staff

PERKIN-ELMER, makes a broad range of high technology products, an-nounced profits for its fourth quarter ended July of \$29.1m or 66 cents a share, against \$16.5m or 38 cents. Revenues were up from \$275.3m to \$340m.;

For the year earnings were \$66.1m or \$1.49 a share, against \$50.2m or \$1.15 last time. Sales rose from \$1bn to \$1.2bn.

The quarter includes a \$11.8m tax adjustment gain, and a once-off charge of \$6.2m. Without these items earnings for the quarter would have been 47 cents a share and for the year \$1.30, increases of 13 and 24 per cent respectively.

Kyocera lifts profits by 64% By Our Financial Staff

KYOCERA, the ceramies producer, has re-ported a 64 per cent increase in its consolidated net income for the first quarter of the current financial year, ended June 30, from Y5.85bn to Y9.61bn (\$40m). At the pre-tax level, prefits were up from Y12.36bn to Y21.5bn an sales up from Y48.97bn to Y75.23bn.

The Kyete-based enjoys an estimated 79 per cent share of the world mar-ket for ceramic integrated circuit packages. It also announced that because of strong demand for its fine ceramics and electronics com-ponent products, the parent company profits forecast for the current year, to March 31, was being raised from Y30.5bn to Y33.4bn. During the first quarter, parent company net profits rose to Y7.95bn from Y3.17bn

a vear earlier.

Norwest sacks mortgage chief after hedging reverse

NORWEST, the Midwest bank- responding increases in the run the operation until a ing group, has lost \$30m on market value of mortgage interest rate hedging operations and has dismissed the top executive of its Norwest Mortgage subsidiary, the second biggest mortgage banker in the

Norwest, which has been among the most aggressive U.S. banking groups expanding into non-traditional financial service areas, announced yesterday that it would record an after-tax charge of \$30m in its third quarter, primarily because of losses and fees in hedging transactions which were not offset by cor-

The group, which earned \$32.4m in its second quarter, says that the charge will be "significantly reduced" by after-tax gains from the sales of more than \$2bn of mortgage servicing.

Norwest, the 18th biggest banking group in the U.S., with assets of \$21bn, also announced that Mr David Beal, who has headed the mortgage banking operation for more than a decade, had been replaced by Mr Richard Levist, Norwest's ing portfolio will approximate vice-chairman. The latter will \$12.5bn.

permanent successor is found. Norwest Mortgage, which operates 54 offices in 21 states, has been one of the fastest growing mortgage banking operations in the U.S. Its executives have said that its aim is to become the number one mortgage banker is the U.S., a position currently held by Dallas-based Lomas & Nettle-

ton Financial.

De Havilland seeks new chief

DE HAVILLAND Aircraft of canda is to recruit a chief executive as part of efforts to revitalise the loss-making commuter aircraft manufacturer.

The state-owned company's controlling shareholder, Canada Development Investment Corporation (CDIC), said De Havilland's president and chief executive. Mr John Sandtord, had been appointed vice-chair-incomposition (\$\frac{1}{2}\$ and some controlling shareholder, Canada Development Investment Corporation (\$\frac{1}{2}\$ controlling shareholder had been appointed vice-chair-man with special responsibility man with special responsibility for marketing the new 36-passenger Dash-8 aircraft. CDIC officials would run the company officials would run the company until a new chief executive was

appointed, appointed,
De Havilland reported a
C\$14.6m (U.S.\$11.2m) second
quarter loss yesterday, bringing
its loss for the first six months
of 1984 to C\$16.5m, compared
with a C\$76.6m loss in Januaryluna 1983

Mr Joel Bell, CDIC's president, ascribed De Havilland's continuing losses to develop-

next 10 years.

place towards the end of this tyear. De Havilland currently lengers have been sold so fit has 17 firm orders for the aircraft, plus 36 options and 34 that it expects to remain profit orders in the final stages of negotiation. In addition, the company is restarting production of its popular Dash-7 and twin Otter models. These programmes have enabled it to increase its workforce by 15 tors. increase its workforce by 15 per cent since April.

De Havilland's sister com-

Starship pioneer quits Beech Aircraft

MR LINDEN BLUE, the man highly profitable. But last year and extra pair of wings under

behind the Starship, Beech Airbehind the Starship, Beech Aircraft's advanced executive aircraft's advanced executive airsales of \$641.9m, down from
tion in 1986, has resigned as
president and chief executive

The Beech earned only \$14m on the cockpit and no tall. Its
turboprop engines are mounted
backwards, pushing rather than
pulling the aircraft, and give
the starship beech Airsales of \$641.9m, down from
the cockpit and no tall. Its
turboprop engines are mounted
backwards, pushing rather than
pulling the aircraft, and give

of the Wichita, Kansas, com-come as a surprise. Mr Blue's successor as pre-pany. Mr D. Brainwerd Holmes, sident and chief executive at

He had held the posts for the president of Raytheon and Reech is Mr James S. Walsh, past two years. In addition, Mr chairman of Beech, noted that a vice-president of Raytheon Blue, 48, has resigned from the under Mr Blue the industry's who had served as general man-

Bine, 48, has resigned from the boards of both Beech, and Raymost advanced executive air resigned from the major U.S. defence, advanced development.

The major U.S. defence, advanced development.

The improved results are mainly because of the sale of three Canadair Challenger executive jets from inventory and a substantial drop in operation. ting expenses. Fifteen Chal-lengers have been sold so far this year. The company said that it expects to remain profitable for the remainder of this

An extensive restructuring earlier this year left Canadair with virtually no debt and a positive net worth of C\$179m. Its debt, totalling more than C\$1.1bn, was hived off into a separate financial company.

UK acquisitions by Acme-Cleveland By Our New York Staff

ACMECLEVELAND, the U.S. machine tool and electronics group, said it had acquired two small British manufacturing companies for \$4m in cash.
The two companies. Spline Guages and its affiliate, Piccadilly Precision Engineering, of Tamworth in the Midlands, are market leaders in the manufacmarket leaders in the manufacture of guages and other pro-ducts which control accuracy in

the production of high-precision Acme-Cleveland, which re-ported a \$32m loss on sales of \$173m last year and has been undergoing a major restructuring, said the equipment made by the two companies is used in almost all manufacture of

high-precision gears.

Both UK companies will continue to be run by Mr Kenneth Foster, their principal share-holder. Spline Guages employs 76 people and Piccadilly Preci-

sion has 11 workers.

The deal represents the first major investment by the Ohiobased group in the UK. Both UK companies will become part of Acme-Cleveland's M and M. Precision Systems division and are expected to add about \$3m a year to sales. The U.S. company said their acquisition repre-sented a further push into the aerospace and energy services now in advanced development. becoming senior executive vicecompany. Raytheon bought The Starship has 7ft tail fins president and chief operating
Beech in 1980, when it was at the end of each main wing, officer of Beech in June.

This Advertisement appears as a matter of record only

These Notes have been sold outside the United States of America



U.S. \$40,000,000

Bank Leu International Ltd. (Incorporated with limited liability in the Commonwealth of the Bahamas)

7¾ per cent. Guaranteed Notes due 30th August, 1989

with Warrants attached to subscribe 160,000 Bearer Participation Certificates of Sfr. 100 par value each of, and unconditionally guaranteed by

Bank Leu Ltd (Incorporated in Switzerland)

Issue Price 100 per cent.

Union Bank of Switzerland (Securities) Limited

Credit Suisse First Boston Limited

Swiss Bank Corporation International Limited

Bank Leu International Ltd. Bank Gutzwiller, Kurz, Bungener (Overseas) Limited Citicorp Capital Markets Group

Mitsui Finance International Limited

Samuel Montagu & Co. Limited

S. G. Warburg & Co. Ltd.

Algemene Bank Nederland N.V. Banca del Gottardo Banque Bruxelles Lambert S.A. Banque Paribas Baring Brothers & Co., Limited

Compagnie de Banque et d'Investigge Daiwa Europe Limited Goldman Sachs International Corp.

Kidder, Peabody International Limited Merrill Lynch Capital Markets

Bank Heusser & Co. Ltd. Banoue Generale du Luxemb

> Berliner Handels-und Frankfurter Bank Credit Commercial de France Deutsche Bank AG

Wood Gundy Inc.

Bank J. Vontobel & Co. AG nque Nationale de Paris Barchays Bank Group Credit Lyonault Handelsbank N.W. (Overseas) Limited Kredletbank N.Y.

Morgan Grenfell & Co. Limited N. M. Rothschild & Sons Limited J. Henry Schroder Wags & Co. Limited

INTL. COMPANIES and FINANCE

HK\$ 900m RESCHEDULING SOUGHT

China Cement close to debt deal

CHINA CEMENT, the Hong rescheduling of debts since Kong venture jointly owned by March this year. Its main Cheung Kong and Green Island Cheung Kong and Green Island Cement in Hong Kong, and the mainland Chinese controlled loan for the company. In May Rui Yip, has confirmed that it is negotiating with bank creditors on the rescheduling of debts HK\$250m.

The company said it had not the company said it had not the company and th negotiating with bank creditors on the rescheduling of debts amounting to about HK\$900m The disclosure follows an-nouncements by Green Island

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on the rescheduling of debts amounting to about HK\$900m. The disclosure follows announcements by Green Island and Kaiser Cement during the past week that they are writing solle. China Cement's plant at Castle Peak in Hong Kng's mounting to more than US\$70m.

China Cement said yesterday that it had been negotiating a scivity has slowed to a trickle.

for international cement orders has depressed prices to a level where China Cement cannot generate the cash to service its

debts, the company said.

The seriousness of China Cement's trading problems came to light a week ago when Green Island Cement, Hong Kong's other main cement manufacturer, which has a 20 per cent stake in China Cement. announced an attributable loss for the first half of 1984 of HK\$120m. It has written off the balance of its HK\$98m investment in China Cement. Green Island Cement's parent likely company, Cheung Kong, is due pany.

CHINA CEMENT, the Hong rescheduling of debts since In addition, severe competition to announce its half-year profits next week, and is expected to make similar provisions against its 20 per cent holding in China

> Kaiser Cement, which controls 40 per cent of China Cement through its subsidiary Kaiser Hong Kong, announced earlier this week that it would record a US\$50m loss for the third quarter of 1984 as a result of making provisions against its investment in China Cement.

Kui Yip, which owns the remaining 20 per cent stake, has made no comment on the impact China Cement's problems are likely to create for the com-

Conic plans to raise HK\$ 200m

SY OUR HONG KONG CORRESPONDENT

as the first stage of a major panies for the recovery of financial restructuring plan. debts.

The company came close to collapse in June this year when, electronics group when taken after a three-week stock market together with its private assoatter a three-week stock market suspension, it announced losses for 1983 after extraordinary items of HK\$374m (US\$48m). This included potentially irrecoverable debts of HK\$217m owed by "a major shareholder." Since June, Mr Alex Au Yan-din, founder chairman of the company, and six other board

CONIC INVESTMENTS, the Company and of Sin King certainly involve a further signoup now effectively controlled company founded by the Bank of China, through Sin by mainland Chinese interests, is planning to raise at least against Mr Au and a number of his privately-owned company founded by the Bank of China, through Sin King.

Mr Chow said this week that Conic had loans and overdrafts

Conic is Hong Kong's largest ciate, Honic. It was effectively rescued by mainland Chinese interests in January this year when a capital injection of HK\$178m was made through Sin King Enterprises in exchange for a 34.8 per cent stake in the company.

Since June, a new board made members have resigned. The made up mainly of executives new board, headed by Mr Chow from Sin King has been Tak-Mirg, who is also chairman struggling to sort out the com-

Mr Chow said this week that Conic had loans and overdrafts ontstanding at the end of last year of HK\$583.17m, in the first seven months of this year, debt servicing costs amounted to While refusing to confirm

that any of the group's sub-sidiary operations will be wound up or cut back, Mr Chow said some subsidiaries were still making substantial losses. Turnover for the group had

risen to HK\$922m in the first seven months of this year—a 46 per cent improvement on sales of HK\$630m. However, he of Peking - controlled China pany's problems. The new fund- almost entirely due to economic Resources' Metal and Minerals raising plan will almost recovery in the U.S.

in which ABC acquired a 70 per cent shareholding in April. Group assets rose by 21.5 per cent from \$8.16bn in June 1983 to total \$9.92bn at end-June 1984. The overall loan portfolio \$2.95bn a year earlier.

Sharp rise in mid-term profit of ABC banks

By Mary Frings in Bahrain ARAB BANKING Corporation in Bahrain has announced a mid-year profit of U.S.\$69m for the ABC group of banks. This pre-tax consolidated figure is after allowing \$12.3m for loan provisions.

These provisions are now to be made on a quarterly basis. Pre-tax prfits for the first half last year — before provisions — totalled \$58m while profits for the whole of 1983 amounted to \$107.4m.

The ABC group includes the parent company, Arab Banking Corporation of Bahrain, its sub-sidiary Arab Banking Corporation, Daus and Co. of Frankfurt in which ABC has a 93.5 per cent stake, and Banco Atlantico, the Spanish commercial bank,

reached \$4.04bn, compared with

Zambia Consolidated Copper Mines Limited and its subsidiary Companies 29th August 1984

Operating and Financial Results for Quarter ended 31 March 1984

	Quarte	rs ended	Years	ended
	31 March		31 March	
•	1984	1983	1984	1983
Production (ton	ınes)			
Copper	127 409	151 160	551 021	575 518
Cobalt	873	535	2 748	2 212
Lead	1 155	4 088	11 639	15 164
Zinc	5 812	10 173	33 521	39 448
Sales (tonnes)				
Copper	137 623	123 958	589 356	588 304
Cobalt	1 281	1 521	3 127	3 400
Lead	2 272	3 106	13 345	
Zinc	9 305	6 792	38 391	38 795
		0.02	00 031	00 1 90
Average Realisa				
(Kwacha per to	nne)			
Quarter				
•	2 373	1 040	0.170	1 455
Copper Cobalt	22 980	1 846	2 170	1 475
		12 296	18 864	14 656
Lead	665	481	606	518
Zinc	1 44 9	881	1 101	726

Consolidated Profit and Loss Account (Unaudited and Condensed) K.M. Sales 973.1 Cost of Sales 1 171.2 Profit/(Loss) on sales Share of Associated 18.3 254.8 (62.7)Company Profit Interest receivable 1.6 (113.0) (59.7) Interest payable (26.6)(17.2)Exchange losses (14.3)(50.3) (4.0)(9.2) Profit/(Loss) before taxation (6.3)96.9 (123.0)44.9 Taxation Payable —Mineral Export Tax ---Equity Levy ---Income Tax (1.0)(1.3)(3.7)(0.1)(0.6)(0.8)Net Profit/(Loss) (7.4)(127.5)Earnings/(Loss) K0.17 K(0.08) K0.01 K(1.43)

es:—
The Financial Summaries are presented in Kuacha, the currency of Zambia
In some respects, the accounting principles adopted by the Group differ from those used in the United States of
America. The Group's annual report form 20-F to the Securities and Exchange Commission describes

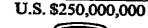
At 31 March 1984, the exchange rates were $K1 = U.S.8 \ 0.617$ and K1 = £0.427 and on 22 August 1984 $K1 = U.S.8 \ 0.535$ and K1 = £0.408

Bank of Ireland

U.S. \$50,000,000 Floating Rate Capital Notes 1989

In accordance with the provisions of the Notes notice is hereby given that for the three months interest period from 31st August, 1984 to 30th November, 1984 the Notes will carry an Interest Rate of 121/4°, per annum. The interest payable on the relevant interest payment date, 30th November, 1984 against Coupon No. 20 will be U.S. \$30.97.

By Morgan Guaranty Trust Company of New York, London Agent Bank





Azienda Autonoma delle

Ferrovie dello Stato Floating Rate Notes due 1999 (Redeemable at the Option of Notcholders in 1992 and 1994)
By virtue of existing legislation direct
and unconditional general obligations of

The Republic of Italy Notice is hereby given that the Rate of Interest has been fixed at 12/2% and that the interest payable on the relevant Interest Payment Date February 28, 1985, against Coupon No. 2 in respect of

U.S.\$10,000 nominal of the Notes will be U.S.\$628.47. August 31, 1984, London By: Citibank, N.A. (CSSi Dept.), Agent Bank CITIBANCO

Keppel Shipyard dives into red

KEPPEI, SHIPYARD, the Steamship from Ocean Transgovernment controlled Singaport and Trading in one of the pore ship-repair company and country's largest takeovers, and one of the island state's leading it is known to have suffered corporations, has plunged into digestion problems as a result. loss, hit by adverse market conditions and sharply higher financial costs.

Government, and in May Mr

Results for the six months to June show an attributable loss of \$\$6.5m (U.S.\$3m) after a \$\$13m group profit in the same period of 1983.

Government, and in May Mr George Bogasers, the chairman, stood down in favour of Mr Sim & Kee Boon, a former head of the \$\$13m group profit in the same period of 1983.

The directors acknowledge

Keppel is Singapore's oldest that the poor performance of shipbuilding and ship-repair the Straits group has concompany. Last year it acquired tributed strongly to Keppel's control of the troubled Straits results, as have depressed that the poor performance of the Straits group has con-

to Woolworth either of the U.S.

freight rates which hit the shipping division. Other divi-sions turned in improved results, and both operating the latter rising 52 per cent to

Interest on borrowings, how ever, trebled to S\$45.5m, and taxation of current profits was 61 per cent higher at \$\$11.2m. The directors say the proceeds of a recent rights issue will reduce financial costs, but they do not expect a significant improvement in performance for the rest of the year.

G. J. Coles lifts dividend following bumper results

U.S. \$100,000,000

Manufacturers Hanover **Overseas Capital Corporation**

Guaranteed Floating Rate Notes Due 1994

In accordance with the provisions of the Notes, notice

is hereby given that for the three month Interest Period from 31st August, 1984 to 30th November, 1984 the Notes will carry an Interest Rate of 12½% per annum. The interest amount payable on the relevant Interest Payment Date which will be 30th November, 1984 is U.S. \$30-65 for each Note of U.S. \$1,000.

Credit Suisse First Boston Limited Agent Bank

U.S. \$25,000,000

BY MICHAEL THOMPSON-NOEL IN SYDNEY

G. J. COLES, Australia's leading sion, and to tax cuts in the retailer, has turned in bumper budget last week, which are net profits of A\$107.6m expected to boost consumer (US\$\$1.5m) for the year to June 30—28 per cent higher than in 1982-83.

Coles presently enjoys 11 to 12 per cent of total Australian June 30—28 per cent higher than in 1982-83.

The final dividend is 12 cents per share, lifting the total payout from 13 cents to 19.5 cents

Coles presently enjoys 11 to 12 per cent of total Australian retail sales, against an estimated 7.2 per cent for its arch rival woolworths (which is unrelated to Weelwerth either of the 11.5)

a share,
Sales rose 15 per cent to or Britain).

A\$5.4bn, and could reach Coles opened 36 new stores
A\$6bn in the current year, in 1983-34, and closed 28. It thanks to Coles' recent expannow perates more than 900

Weak rand and interest costs hit Sentrachem

By Jim Jones in Johannesburg SENTRACHEM, South Africa's second largest diversified chemicals group, suffered from

losses in its synthetic rubber operations and poorer sales to the agricultural sectorf in the year ended June.

Turnover of the group and its associates rose by 4.5 per cent to R842m (\$543m) from R806m in the previous year. Pre-tax profit before financing costs rose to R108.6m from R104.8m.

Sentrachem suffered foreign exchange losses due to the rand's recent sharp decline. The provision for these losses, combined with a significantly higher interest charge contributed to a pre-tax profit drop to R22m from R74.8m.

The directors are far from cheerful on prospects. They believe that the Afprene synthetic rubber manufacturing operation will continue to generate losses, that interest charges will again increase, and that there will be a significant decline in private and public sector spending. Agricultural prospects are also uncertain.

An unchanged total dividend of 18 cents has been declared though earnings fell to 21.4 cents a share from 59.1 cents. Sentrachem is an indirect subsidiary of Sanlam, South Africa's second largest insurance group.

Amic expects little change

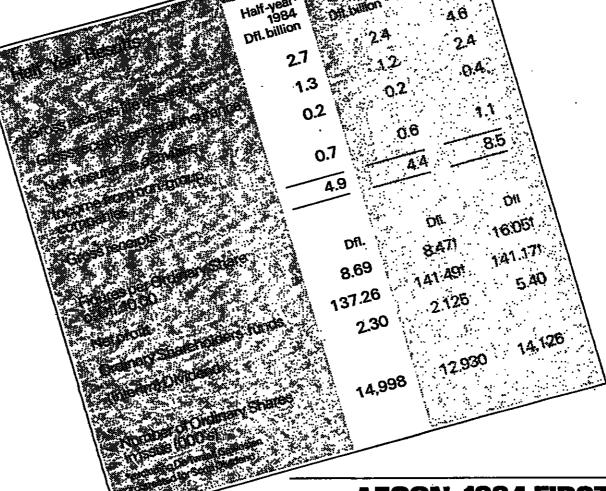
By Our Johannesburg

ANGLO AMERICAN Industrial Corporation (Amic), the industrial arm of South African minding house Anglo American, has scaled down its earlier profit expectations for the current year.

The directors expect earnings this year to be much the same as those in 1983. Trading conditions are expected to become more difficult and profits will be affected by higher interest rates and the adverse currency situa-

In the half-year to end-June, turnover was R935m against R710m in the same period last year and R1.58bn for the whole of 1983. Pre-tax profit increased to R110.2m (871m) from R90.3m. For the whole of 1983, pre-tax profit was R239.5m.

An unchanged interims divi-dend of 55 cents has been declared. First-half earnings rose to 149.5 cents a share from 133.4 cents. In 1983 earnings totalled 355.9 cents and a total dividend of 180 cents was de-



AEGON. 1984 FIRST HALF: THE FIGURES CONTINUE TO RISE

It is still less than one year since AEGON was formed by merging the substantial resources and expertise of two major Dutch insurance

The first half-year results of AEGON acting as a single company amply justify its foundation.

Gross receipts in the first half-year of 1984 rose further by 12% to Dfl 4.9 billion, compared to the same period in 1983. Of these 47% originated abroad. Net profits for the first half year 1984 amounted to Dfl. 132 million, an increase of 12% compared with the first six months of 1983. Guarantee funds rose by Dfl. 118 million in the first half year 1984 to Dfl. 2.3 billion.

We are confident that, unless there are unforeseen circumstances, gross receipts and net profit will show further increases during the second half-year. Although there is likely to be further conversion of outstanding convertible loans into Ordinary Shares we also expect greater improvement in profit per share. This expectation is in complete accordance with our view of the future expressed in the 1983 Annual Report.

AEGON shares are quoted on the Amsterdam, London, Basle, Geneva and Zurich stock exchanges. In addition options on AEGON shares are traded on the European Options Exchange in Amsterdam.

AEGON Insurance Group · Our home is Holland · Our market is the world

To: Public Relations Department, AEGON Insurance Group, PO Box 202, Churchillplein 1, 2517 The Hague, The Netherlands Please send me a copy of the 1984 Interim Results

the 1983 Annual Report 🛛

Nam<u>e</u>

Insurance Group

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Bergen Bank A/S

Floating Rate Capital Notes Due 1989

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 31st August, 1984 to 30th November, 1984 the Notes will carry an Interest Rate of 12½% per annum. The interest amount payable on the relevant Interest Payment Date which will be 30th November, 1984 is U.S. \$30.97 for each Note of U.S. \$1,000.

> Credit Suisse First Boston Limited Agent Bank

U.S. \$650,000,000

Kingdom of Sweden



Floating Rate Notes Due 1989

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 31st August, 1984 to 28th February, 1985 the Notes will carry an Interest Rate of 121 1676 per annum. The interest amount payable on the relevant Interest Payment Date which will be 28th February. 1985 is U.S. \$625.33 for each Note of U.S. \$10,000.

Credit Suisse First Boston Limited Agent Bank

U.S. \$30,000,000



The Industrial Bank of Japan, Limited London

Floating Rate London-Dollar Negotiable Certificates of Deposit due 29th August, 1986

In accordance with the provisions of the Certificates, notice is hereby given that for the six month Interest Period from 31st August, 1984 to 28th February, 1985 the Certificates will carry an Interest Rate of 1216% per annum. Therelevant Interest Payment Date will be 28th February 1985.

> Credit Suisse First Boston Limited Agent Bank

U.S. \$20,000,000



(Incorporated in the United Mexican States)

FLOATING HATE NOTES DUE 1988

In accordance with the provisions of the Notes notice is hereby given that for the interest period from 31 August 1984 to 28 February 1985 the Notes will carry an interest rate of 13% per annum. The interest payable on the relevant interest payment date, 28 February 1985 against Coupon No. 7 will be US\$653.61.



By: The Chase Manhattan Bank, National Association, London.

Agent Bank

INTERNATIONAL COMPANIES and FINANCE

VW deficit climbs to DM 162m at midway

of 4.6 per cent to 691,000 abroad.

10.1 per cent to 349,000 abroad.

BY JONATHAN CARR IN FRANKFURT

VOLKSWAGEN, the West German motor group, was deeply in the red in the first half of this year, after losing sales revenue estimated at DM 2.8bn (\$971ac) through the met-

alworkers' strike in May and June. Group loss totalled DM 162m af ter one of DM 147m in the corre sponding period last year. The par-ent company, Volkswagen AG, lost DM 131m after a modest profit of DM 11m before.

The strike was a special blow to VW, which had looked on its way to a profitable year at last - following overall losses of DM 300m in 1982 and of DM 215m in 1983 - with a strong first-quarter performance. Sales in January to March were surging on virtually all major mar-

Kosmos

doubles

profits

By Fay Gjester in Oslo

KOSMOS, the Norwegian shipping and industrial concern, almost

doubled operating profits in the first half of this year, compared

with the same period of 1983. The

improvement came from the

group's industrial activities - parti-

cularly its newly-acquired forest products company, Saughrugsfore-ningen – and its offshore platform

and passenger shipping interests.

Traditional shipping activities made a loss in the six months.

Group turnover reached NKr

1.168bn (\$141.2m), up 39 per cent. Operating profits were NKr 127.7m, up almost 100 per cent, and profits

before extraordinary items were

NKr 46.8m, against a deficit of NKr

10.9m in January-June last year.

Earnings from ship sales of NKr 132.4m brought the half-year profit

total to NKr 179m, compared with

The whole year profit, before ex-

traordinary items, now seems likely to be about NKr 100m, topped up to

NKr 250m, before allocations, by

profits from ship sales. This would

be about twice the 1983 final figure.

The half-year report says the group's financial position is good,

with working capital amounting to

around NKr 659m. Kosmos is to

have a 25 per cent stake in an oil

drilling and production rig which it

recently ordered from Japan, in a

joint venture with Norcem, another

Norwegian industrial company with

only NKr 26m a year earlier.

kets, the group showed a profit of the strong U.S. dollar against the D-DM 51m and the parent one of DM Mark.

VW of America raised its first 46m. Then came the strike and an half sales by nearly 35 per cent to estimated production loss of 160,000 142,000 vehicles - but against that As a result, group sales were down in the first half by 7.9 per cent success the group suffered further setbacks in Latin America.

to 1m vehicles, with a drop of 13.7 Dr Carl Hahn, chief executive. per cent to 349,000 at home and one had already said the strikes would rroduction was also down sharping by an overall 11.5 per cent to 1m vehicles, based on a fall of 12.3 per cent to 653,000 at home and one of 10.1 per cent to 349,000 sharping.

However, VW is striving hard to Despite the fall, sales revenue in make up the lost ground - not least the first half was up by 10.6 per cent by working through the normal to DM 22.3bn, partly because of do-mestic price increases at the start of this year and partly because of pected in the next few months.

IKB sees surge in its credit business

Industriebank) started the new year from April I with a surge in credit business with its mainly industrial customers, after raising profits and increasing dividend from 14 per cent to 15 per cent in 1983-84.

Dr Walter Krüger, managing board chairman, said new credit volume in the first five months totalled DM 1.27bn (\$422m) - 20 per cent more than in the same period of the previous year. Demand, primarily for invest-

ment finance, came from the mechanical engineering sector (especially machine tools compa the paper industry and from trading and services customers.

Dr Krüger cautioned however,

that the boost in credit busine might not continue for the whole year. Many enterprises were in a strong cash position, while the met-alworking and printing strikes in the spring might yet prove to have undercut the propensity to invest. Dr Krüger underlined that there

IKB (Industriekredithank Deutsche had been a further encouraging trend in the new year to demand for long-term credit. Only 3 per cent of the new business had been for short term loans. IKB, often called the "entrepre-

> neurs bank," was deeply concerened by the tendency during much of the recession for its customers (mainly medium-sized companies to seek short-term loans in the hope that interest rates would soon fall. Last year had already brought

progress towards a more normal financing structure. While the bank's total credit volume rose by 3.4 per cent to DM 10bn, long-term lending was up by 7 per cent to DM 9.5bn while short and medium-term lending fell by more than one-third to

The bank raised its interest surplus by 13.1 per cent to DM 196.7m. From net profit up to DM 36.3m from DM 32.2m in 1983, a total of DM 12m is being added to reserves The remaining balance sheet profit of DM 24.3m is being used for the increased dividend payout.

Southmark investment group up

BY DAVID BLACKWELL IN NEW YORK

ed operating profits for its fourth \$481m from \$289m. quarter ended June from \$22.9m to \$25m or 58 cents a share. Revenues rose from \$121.5m to \$170.6m.

rose by 79 per cent to \$68m or \$1.71 was \$78m against \$62.6m last year. I to do this," the company said.

SOUTHMARK, the Dallas-based a share, against \$37.5m or \$1.48. real estate investment group, boost- Revenues rose by 66 per cent to

After tax credit adjustments, final net for the quarter last time was For the year, operating profits \$35.2m and final net for this year

Swedish shipping groups in downturn

By Kevin Done in Stockholm TWO of Sweden's leading shipping groups. Saleninvest and Transatlantic, are suffering heavily from the continuing weakness of world shipping markets and are incurring

large losses in major areas of their Saleninvest, which holds a dominant position in the world's refrigerated shipping market and is also

involved in dry bulk cargo, oil tank-ers and oil drilling, warned in an interim report that it could run up a pre-tax loss this year despite substantial sales of ships, property and equity holdings.

The group's loss before ship sales and extraordinary income would be "considerable" in the full year.

Losses before ship sales and extraordinary income in the first six months of the year doubled to SKr 164m (\$19.7m). The group's refriger-ated shipping division. Salen Reefer Services, continued to be hit by over-capacity in the market and un-satisfactory freight rates.

The group saw a profit before tax and appropriations in the first six months of SKr 165m, down from SKr 303m in the corresponding pe riod last year.

Transatlantic, the liner shipping group which earlier this year took over the crisis-hit Broströms liner operations, warned that it faced heavy restructuring costs over com-ing months. The benefits of the merger would not show through be-

Operating losses this year were likely to be greater than earlier forecast, and Mr Peter Carlsson, managing director said the group was unlikely to be able to limit the loss this year to the SKr 65m (SKr 15m after extraordinary items) pre-viously indicated.

BAe space order

A CONTRACT awarded to British Aerospace Dynamics, io design, de velop and manufacture a satellite transfer vehicle for use in the U.S. space shuttle, is worth \$1m and not \$1bn as reported in yesterday's Financial Times.

We apologise for the error, which occurred during transmission of the

py. Naming BAe as prime contracto Scott Science and Technology, the Californian client, stressed it had not put the contract out to tender. "We specifically chose British Aerospace because we do not know of any other company more qualified

Electrolux increases earnings by 57% after restructuring

ELECTROLUX of Sweden, which is tor, which accounts for more than bidding to become the world's lead half total group turnover at SKr in its first-half pre-tax earnings.

lower financial costs. Net sales of SKr 16.85bn were up

by 12 per cent, adjusted for the sale of several subsidiaries. The major improvements were in the U.S. and Sweden, but advances were also nade in Latin America and the Far

Electrolux has upgraded its annual forecast by SKr 150m to SKr 1.4bm from the SKr 1.7bm achieved in 1983, but warns that the growth in earnings will slow in the second half as the U.S. economic upturn levels off and the Euromarkets re-

The U.S. accounts for 23 per cent of total group sales, while the European share is put at 66 per cent. Three quarters of total turnover is

Despite the weak trend in the Eu-

ing manufacturer of white goods 3.5hn Strong increases were noted through a takeover of Zanussi of in the U.S. especially in microwave. Italy, reports a sharp improvement ovens, cookers and dishwashera. Turnover and profitability also

Income after special gains grew advanced in forestry, garden prod-by 57 per cent to SKr 1.25bn acts, commercial appliances and in (\$148.2m) following an extensive a lesser extent, industrial equip restructuring which yielded a comment. The main sales growth was bination of SKr 283m in better op-erating results, with SKr 166m in sidiary, with turnover of SKr 3.65m. up 22 per cent.

Return on net assets advanced from 17.5 per cent to 23 per cent. Earnings per share after calculated Earnings per share after carculated tax grew from SKr 15.55 to SKr 22.30. Capital expenditures and inquid assets remained foughly unchanged. The group posted a SKr 100m extraordinary item stemming from the sale of Granges subsidiary.

in Norway. Electrolux meets in London today with Zanussi's major foreign bank creditors in an attempt to persuade them to agree to terms of a rescue package for the financially-crippled home appliance manufacturer after nine months of negotiations.

Electrolux has already signed a conditional agreement with the Zanussi family and the Italian consor-tium Mediobanca for its initial acropean market, both sales and profits improved in the appliances section of a 49 per cent stake, to be increased later to 75 per cent.

Aegon and Amev plan to lift interim dividends

AEGON and AMEV, the Dutch inplan to increase their interim divi-

Aegon has lifted net profits by 13 per cent to Fl 132m (\$40.6m) while at Amey earnings have risen by 23 per cent to F1 112.7m. Both groups expect higher profits for the whole of 1984.

Aegon, which resulted from the merger late last year of the Ennia and AGO groups, will raise its interim dividend from FI 2.125 to FI 2.30 a share. The Amev payment is in-creasing from Fl 260 to Fl 280.

Aegon's gross revenues from life insurance rose 12 per cent for the surance groups, report higher prof-its for the first half of 1984 and both six months, while non-life insurance gross revenue was higher by 10 per cent in the non-life business. Dutch activities recorded a profit despite poor motor underwriting.

Accident and health insurance

overseas contributed a substantial-

ly larger profit, but this was countered by losses elsewhere, the com-For its part, Amey expects 1984

profit to be markedly higher than the FI 208.6m earned in 1983, Aegon net profits totalled FI 228m in 1983.

Swedish gas group improves

BY OUR STOCKHOLM CORRESPONDENT AGA, the Swedish industrial gas (\$41.5m), and the group forecasts a company, reports a strong improve- 20 per cent ment in first-half profits helped by SKr 700m. better margins and a sharp recov-ery in its Frigoscandia refrigeration and cold-storage unit.

grew 23 per cent to SKr 344m

13 per cent to SKr 2.77bn, adjusted Earnings after interest costs for the acquisition and disposal of subsidiaries.

20 per cent rise for the full year to

All of these securities having been sold, this announcement appears solely for purposes of information.

NEW ISSUE

August 23, 1984



The Korea Fund, Inc.

5,000,000 Shares

Common Stock

Scudder, Stevens & Clark-Investment Manager. Daewoo Research Institute-Korean Adviser.

The First Boston Corporation

Lehman Brothers

International Finance Corporation

Salomon Brothers Inc. Goldman, Sachs & Co. Morgan Stanley & Co. Daewoo Securities Co., Ltd. The Nikko Securities Co. Korea Associated Securities Inc. Nomura Securities International, Inc. Alex. Brown & Sons Cazenove Incorporated Bear, Stearns & Co. Becker Paribas Daiwa Securities America Inc. Donaldson, Lufkin & Jenrette Drexel Burnham Lambert Dillon, Read & Co. Inc. Hambrecht & Quist Hambro Pacific E.F. Hutton & Company Inc. Kidder. Peabody & Co. Lazard Frères & Co. Samuel Montagu & Co. PaineWebber J. Henry Schroder Wagg & Co. L. F. Rothschild, Unterberg, Towbin Prudential-Bache Smith Barney, Harris Upham & Co. Dean Witter Reynolds Inc. Wertheim & Co., Inc. Yamaichi International (America), Inc.

W. I. Carr (America) Daishin Securities Co., Ltd. Dongsuh Securities Co., Ltd. Grieveson, Grant and Co. Hoare Govett Ssangyong Investment Securities Co., Ltd. The Lucky Securities Co., Ltd. Vickers Da Costa

N. AMERICAN QUARTERLY RESULTS

AMERICAN BAKERIE Breed, cakes	3		OMERAL DEPENSE Defeace products			WESTVACO Polp and paper		
Second quarter	1964 \$	1983	Second quarter	1984	1983	Third quester	1989-64	1984-55
levenue		115.8m	Revenue	35.2m	26.1m	- Revenue .,	446.1m	300.4
let profits	2.6 ₀	1.94	Net profits	300	2.0	Het profits		14.9
let per sbare Six monitis	1.02	0.75	Not per share	0.57	0.34	Net per stere	1.45	0.55
Royenue	272m	265m	Reverse	67.4ca	36.8m	Revenue	1.3ba	1.07ba
Net profits	4.6mg	3.1m	Net profits	- C-	5.5	Net profits	58.8m	\$3.8m
ież per staro		1.20	Het per eitere	0.73	0.65	Net per share	2.15	7.25
YHET			PAY LESS DRUG STOP					<u> </u>
Dectronic compts. d	istributor		Drugetores	HE NE		WICKES COR. Building materials re	teller	
Fourth quarter	1983-84	1984 \$	Second quarter	1984	1983	Second quester	1984	1985
 	456.6ta	226.1m	Revenue	224.1m	205.6m	_		
let profits		15,9m	Het profits			Revenue	895.5m	782.7m
let per share	0.67	0,45	Man process or control or con-	5.9m	4.8m	Net profits	12.2m	11.7 m
Year			Net per share	0.32	0.26	Net per share	0.85	. 0.61
terenue	1.63ba	1.16ba	Six months			Six months		٠. ٠
let profits	86.8m	50.4m	Revenue	420m	400.6m	Revenue	1.51bn	1.4bc
let per share		1.43	Net profits	9.7m 0.53	7.4m 6.40	Het profits	6.1m 0.43	· 3.9m
CHEADER								<u>_</u> _
rensportation equip	ment		i					
Second quarter	1984	1983 C3						
ig yapus	99.7m	91.5m		l l				
igggpus ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	4 000	A 99m					-	Į.

The Republic of Italy 272.8ts 11.1m 0.73 307m 11.1m 0.72

1983 Ç\$ 323m 26.4m 1.58 2.4bn

1.22ba 44.7m 2.90

US \$500,000.000 In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the first Interest. Period from September 4, 1984 to March 4, 1985 has been established at 12% per cent. per annum. Interest payable

on March 4, 1985 will be US \$622.19 for each US \$10,000 Note and US \$15,554.69 for each US \$250,000 Note. Agent Bank Bank of America International Limited

Standard Bank Import and Export Finance Company Limited \$50,000,000

The Standard Bank of South Africa Limited hereby given that the rate of interest for the three months 24th August, 1984 to 26th niber. 1984 has been ed at 113/16 per cent and 26th November, 1984, will be



U.S.\$200,000,000 eating Rate Notes due 1993 le at the option of Noteholders in 1988 and 1990)

nce with the provisions of the Notes and the ent between the Kingdom of Spain and Citibank, N.A., dated shruary 28, 1983, notice is hereby given that the Rate of Interest been fixed at 121/1% pa and that the interest payable on the relevant interest Payment Date, February 28, 1985, against Cau No. 4 will be U.S.\$62.85,

August 31, 1984, London By: Citibank, N.A. (CSSI Dept.), Agent Bank

First half

profit cut

Cleaners

at Johnson

Group item. 12 minered a set-back. This meant that profits from trading activities for the first half of 1984 were only main-tained, and the pre-tax balance showed a reduction from £2.95m to £2.72m.

Trading activities contributed

Trading activities contributed 53.02m (£3.03m) from sales of

t3.02m (£3.03m) from sales of £31.21m (£26.87m). After a good start, sales and margins in retail dry cleaning in the UK have been adversely affected by the long period of hot weather and, in certain areas, the miners strike. Textile rental sales and

profit continue to improve.

The U.S. companies almost doubled their 1983 sales and are

doubled their 1983 sales and are operating profitably. This was in part due to organic growth and in part to new acquisitions. Results include only two months of the Three G Corporation and to not include any contribution from JW Enterprises which came into the group after June 30.

A drain on the balf-year profit was an increase in interest

(£286,000) being surpluses on

oroperty sales.

The interim dividend is lifted to 3.18p net (3p). The 1983 total was 12.42p paid from pretax profits of £6.4m.

Just about as soon as the

market's speculative scavengers

market's speculative scavengers had stopped picking over the prospects of more bids in the total cleaning sector, Johnson Group embarked on a trading period which turned progressively sour. The interim shortfall left the shares down 14p yesterday to 351p. While that reaction might look rather harsh, it may be difficult to get the Johnson Group story going again until the fruits of two years of increasing U.S. investment begin to ripen. Long-term followers of the UK dry cleaning market must know that growth is linked

of the UK dry cleaning market must know that growth is linked firmly to disposable incomes and the level of humidity and strikes have left their predictable mark on the interim p and l. The second half temperature has started sticky enough as to pro-

long doubts as to the level of second-half recovery and it is hard to see, in domestic terms,

parate collection of family enter-prises acquired at various levels of partnership participation and commitment. Hold, but with some caution.

comment

Construction Augustile

Low betting margins hit Ladbroke

The state of the s

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Amey pla

rim divider

DESPITE A \$2m drop in pre-tax profits at the haif-way stage, Ladbroke Gorup is expecting 1984 to be another good year. The interim dividend is the forecast 4477p net on capital increased by the recent \$54m rights issue.

Profits in the first half, to July 3 fell from £18.1m to £14.2m

3, fell from £18.1m to £14.2m mainly as a result of an excep-tionally low gross profit margin percentage earned in June by the UK betting shops, in contrast to the unusually high percentage to the unusually high percentage in the previous June. Consumer electronics retailing also had a disappointing half.

Turnover from betting was buoyant. This was the case with the other major businesses of hotels and property, and they also showed very substantial increases in profit.



velopment of Barclays Bank In-ternational headquarters on Wall Street, New York. The purchase price is \$14m and cost of re-furbishment is put at \$7.5m. On completion, the yield is anticipated to be 13 per cent. The betting division expects its market share in the UK to rise to over 20 per cent by the time the Home Office eases some of the restrictions on customer

services, following the recent passing of legislation.

In the half year the group produced a turnover of £453.8m, against £371.5m. Operating profit dipped to £18.9m, from £19.7m, while interest charges were up from £3.6m to £4.7m, The attributable profit is £8.2m (£10.4m) for earnings of 5.46p (7.04p adjusted) per share.

The chairman re-affirms the board's intention to recommend a final dividend of not less than 3.44p on the increased capital. From profits of £41.8m in 1883, the interim payment was 4.07p services, following the recent

also showed very substantial increases in profit.

Mr Cyril Stein, chairman, says experience suggests that, taking the year as a whole, betting margins for 1984 should average margins for 1984 should average up to normal levels.

He says the directors remain committed to the continued ex-

Lasmo foresees benefits from exploration

Turnover for the six months to June 30 amounted to £110.7m, against £122.1m, and gross profits totalled £66.4m compared with \$70.3m.

The taxable result was virtu-The taxable result was virtually unchanged at £56.3m (£56.2m) and was struck after interest payable of £6.9m (£5.8m), oil production stock provision of £3.1m (£4.7m), related companies loss of £1m (£600,000) and included other income this time of £3.8m.

During the second half of the year Lasmo plans to drill at least 30 new wells in the U.S. year Lasmo plans to least 30 new wells in the U.S. and a further 25 in Canada. Drilling will continue in Australia and in Indonesia with possibly five new exploration wells drilled on the Kakap, Malacca Strait and Madura concessions.

Strait and Madura concessions.

During July, however, new production from the North Sea and Indonesia raised production and Indonesia raised production from the highest daily Strait and Madura concessions.

In Sicily the company expects to spud its first exploration well on block CR100, while in the UK it looks forward to the results of exploration and appraisal far.

FIRST HALF net profits of London & Scottish Marine Oli (Lasmo) fell from a restated f16.9m to £13.2m, and this was reduced further by a £9m provision for deferred tax thrown up from this year's Budget changes. The interim dividend is unchanged at 4.5p per share.

Turnover for the six months to June 30 amounted to £110.7m, against £122.1m, and gross profits and the U.S. comes on stream.

Canada and the U.S. comes on stream.

For the longer term Lasmo now has a "valuable international spread" of exploration acreage which, with reasonable success, should result in a steady increase in production.

The remainder of 1984 will see new production from the Lalang new production from the Lalang Field in Indonesia of over 6,000 barrels per day for Lasmo and increased production from the Beatrice Field in the North Sea. For the first half of 1984, gross

Capital expenditure in the first half of this year was £40m. In the second half it is expected to be around £55m. Cash flow for the year as a whole, after tax payments, is expected to exceed the exc total capital expenditure.

Other income, following a redetermination of the participants' interests in the Ninian Field, Lasmo's entitlement to production and its obligation to meet field expenditure, was reduced from 9.27 per cent to 8.63 per cent. The new entitlement was applied to current prement was applied to current pro-duction and costs from April 1, 1983, because of the change related to production and costs prior to that date.

Lasmo was required to repay its past overlifting of crude oil by underlifting 2.48m barrels in the 16 months commencing July 1, 1983. By the end of June 1984 2m barrels had been repaid. Amounts refunded to Lasmo as a result of this redetermination

relating to interest (£8.6m) and operating expenses (£2m), offset by additional royalty payments (£0.8m), have been included in earnings for 1983 and 1984 pro

This represents a change from the treatment adopted where redetermination refunds and charges were taken up in first half 1983 results but is consisten: with last year's report and

accounts.

It is expected that the payment on the oil production stock will on the oil production stock will amount to a net payment of 41.5p per 10p unit, after deduc-tion of ACT or, where applicable, income tax (59.3p per unit gross).

The actual net payment in the corresponding period in 1983 amounted to 67.3p per unit (full year—112.2p).

In 1983, Lasmo changed its method of accounting for oil and

gas expenditure from the successful efforts to the full cost basis.

First half results for 1983 have been restated to reflect this change in accounting policy as

follows:

Take operating as previously reported £53.6m and add amortisation of production assets £14.7m and exploration written off £24.3m then deduct amortisation of oil and gas expenditure of £25.3m. An additional charge to deferred tax of £5.4m resulting from this recteament has rata to oil repaid. Accordingly ing from this restatement has £3.8m was included in earnings been reflected in the results for the six months under review the first half of 1983.

as remedial action pays off

A return to profits was achieved by Rock, a dealer in achieved by Rock, a dealer in engineers' consumable supplies, in the first half of this year and the upturn is expected to continue in the second half.

The profit amounted to £22,852, against a loss of £119,550, with turnover ahead by £1.46m to £3.11m, reflecting the contribution of a full six months' trading from the companies acquired from Barbican in April last year. arbican in April last year Mr Robert A. Clarke, the chairman, says the profit steramed from the reorganisation and rationalisation programmes effected by the new

There was again no tax charge. Earnings per 10p share are shown as 0.14p (loss 0.87p)—
there is no dividend, the last being a 0.753p payment in respect of the nine months to end-December 1979.

Last least Peak incurred pro-

Glanfield progress continues

hard to see, in domestic terms, how much surplus the group can add to the marginal pound through increased marketing and innovation. Not so in the U.S. Here, the returns on a £10m investment are tantalisingly close to realisation and the true measure of Johnson's management is the extent to which it can hold the reins over a disparate collection of family enter-A SUBSTANTIAL increase in pre-tax profits and a return to dividend payments has been forecast for the year end by Glanfield Lawrence along with the interim results. For the first half of 1984 pre-tax profits rose from £62,000 to £89,000.

The last dividend was paid in 1980.

Turnover for the first half of this motor vehicle distributor and engineer moved up from £8.78m to £9.8m, excluding VAT.

Substantial increase in slipping from 2.6p to 2.4p.

While turnover rose by more than 10 per cent, there was only improvement comes thanks to a £60,000 turnround at the Wake-field and Burton-on-Trent dealer-thundring profit due mainly to the companied of the loss-most of the loss-most of the shandoument of the loss-making British Leyland operation in Finchley, and a reduction in Finchley, and a reduction in the industrial product division's losses. With the both the motor and the agricultural, forestry and industrial product division's losses. With the interest on the £865,000 rights issue cash and the first earnings ducts divisions and remained at the current half, Glandout the current half, G

Charterhouse hits at N. Sea plan Charterhouse Petroleum, one of Britain's fastest-growing oil and gas companies, yesterday condemned gas companies, yesterday condemned gas companies less able to make use of per cent higher, despite a one-for-two rights issue in December which raised £38.7m.

It separately announced that impose new conditions on North

The group, which announced substantial increases in profit and turnover for the first half of 1984, intends to protest to the Department of Energy. Charter-house managing director Mr Tony Craven Walker described the proposals as "lunacy." The Government wants to stop

companies from splitting up ticences into smaller and smaller

As a result, companies with busy exploration programmes, including Charterhouse, have acquired production interests from com-

The department has said that in future a licence can be held by no more than 10 companies and a would-be seller will have to show that it made a significant contribution to exploration costs.

These restrictions could hit Charterhouse particularly hard since the company has developed expertise in putting together taxefficient deals to fund its growth.

Since the 1983 Budget com-panies have been allowed to set North Sea exploration costs against petroleum revenue tax.

emeters dears to runn its grown.
Since the beginning of 1983, the
group has acquired production
stakes in the Forties and Buchan
oil fields and the Dutch offshore
P6 gas field.

The acquisition of production interests made by Charterhouse were the main reason behind an increase in net income for the period to the end of June from £2.21m to £4.96m, on turnover up from £9.14m to £38.12m.

which raised E38.7m.

It separately announced that it has bought a further 359,200 shares in Berkeley Exploration and Production, raising its bolding to 18.5 per cent, for a consideration of 359,200 new Charterhouse shares.

The dividend is being The interim dividend is being held at 0.25p net per share. Last year's total was 0.75p on profits of £9.74m.

Pre-tax profits were £13.64m,

up fro mf9.14m. Corporation tax, on a full deferral basis, came to £2.74m (£2.24m).

22.74m (£2.24m).
Petroleum revenue tax continues to be provided on the basis of the estimated total liability, but at £5.94m against £462,000 takes into account a forecast of future expenditure exploration.

Strong growth in Fleet's nationals and magazines

Fleet Holdings' mainstream activities, national newspapers and magazines, achieved strong profit increases in the 1983-84 year and, together with a £4.6m
surplus arising from the Reuters
flotation, the group's taxable
result surged by £12.56m to
£22.08m.
National newspapers, encompassing the Daily and Sunday
Pernress and Daily Star control

passing the Daily and Sunday Express, and Daily Star, contributed 53.43m more at £6.31m and magazine operations notched up a £3.24m advance to £9m. Taxable profits also benefitted from a £1.25m reduction to £665.000 in interest payable.

Shareholders are being re-warded with a more than doubled dividend of 5p (2.25p), following a 1.75p lift to 3.25p in the final payment.
Group turnover for the 12

months to June 30 totalled £245.9m. £322.52m, against £300.38m, with some £314.16m (£291.56m) accounted for by nationals and tion over

vas an increase in interest harges from £182,000 to \$266,000. Tax takes £611,000 £884,000) to leave the net profit tt £2.1m (£2.07m), and there is an extraordinary credit £274,000 £5928,000) heing surphyses on

Pentland Industr Reliance Indett. Rock Scottish Agric. Stat-Plus Stewart Plastics Whitworth Electric Lec Refrigeration

INDEX TO COMPANY HIGHLIGHTS

circulation and advertising the breakeven forecast made for revenue. Costs were kept under tight control, reflecting realistic June 30 1982 the group has come revenue. Costs were kept under tight control, reflecting realistic wage settlements, and the price of newsprint was contained. Turnover rose from £229.4m to

showed little growth in contribu-tion over last year with a £22,000 rise to £428,000. In UK magazines both the

magazines.

Earnings per share climbed from 13.34p to 18.59p on after tax profits of £15.52m (£8.82m). The net result was slightly reduced by extraordinary debits of £275,000 (credits £2.44m) and after dividends the retained profit is £11.02m (£9.9m)—there was a £5.9m provision this time for deferred tax which was taken direct to reserves.

The national newspapers The national newspapers Other activities, being profits market conditions continuing to be highely competitive, both for The company says that from

a long way towards achieving its profit goals since it was established by demerger from Trafaigar House in February

Trafaigar House in February that year.

Indeed, the group made a profit in that first trading period of £2.9m from ordinary activities before tax and extraordinary items. The first full year's trading, to June 30 1983, saw the performance substantially improved and the latest year's trading result has moved ahead significantly again.

As a result of this profit per-

As a result of this profit per-As a result of this profit per-formance and the incorporation of the value of the group's investment in Reuters the net asset value per share has risen from 62p in June 1982 to 170p

Restructure at Home **Counties Newspapers**

BY CHARLES BATCHELOR

Home Countles Newspapers quoted Holdings group.

(HCN) is reorganising its capital Mr William Gibbs, HCN chairman, said: "The usefulness of ability of its shares.

Just over 57 per cent are have been looking for some time ability of its shares.

Just over 57 per cent are currently owned by County Newspapers, a private group controlled by the Gibbs family.

This more appropriate vector.

This move, announced yester- will increase their aggregate day, coincides with a sharp in- holding stake to 45.8 per cent crease in HCN's unaudited profit from 42.8 per cent

to improve the marketability of our HCN shares.' Other shareholders in HCN

for the first half of 1984. Pre-tax
for the first half of 1984. Pre-tax
profit rose to £621,000 from
£134,000 on turnover 14 per cent
higher at £6.63m.
The company has increased its
interim dividend to 2.25p per
share from 1.75p.
To help maintain an orderly
market in Holdings shares
present holders have accepted
limitations on the disposal of the
shares to publication date of the
1985 accounts in early 1986.
The directors of HNC have

share from 1.75p.

A new company, Home
Counties Newspapers Holdings,
has been formed to acquire the
share capital of HCN on the
basis of 16 Holdings shares for
every 15 HCN shares.

County Newspapers, a private
company owned by 15 members
of the extended Gibbs family,
which holds 57.2 per cent of
HCN, will be liquidated and
family members will acquire
shares directly in the publicly-

Stat-Plus ahead to £461,000 in buoyant market

The Stat-Plus Group, which supplies law and commercial stationery and came to the USM in Hay, has increased its profit from 1402,000 to 1461,000 in the half year ended June 30 1984, from turnover nearly £500,000 higher at £2.22m. The market remains buoyant and trading con-tinues to be excellent.

The 1983 period contained an "exceptionally strong" second quarter, and did not have to bear interest on the cost of acquiring and fitting out the new head-quarters, which amounted to nearly £800,000, the directors point out.

Borrowings have been reduced Borrowings have been reduced at £59,000, compared with £330,000 at end April and £483,000 at end 1983.

Tax takes £216,000 (£204,000) to leave the half year's net profit at £245,000 (£198,000). Earnings are shown at 3 40, (2,80) and at 3 40, (2,8

are shown at 3.4p (2.8p) and an interim dividend of 0.5p net is declared, as forecast. In the prospectus the directors promised a total of 1.8p for the

Expansion by Stewart **Plastics**

Higher pre-lax prots of £2.81m against £2.56m have been pro-duced by Stewart Plastics for the year to the end of April 1984. Turnover rose from £8.77m to £9.37m.

The total dividend has been lifted 20 per cent from 2.0233p to 2.428p by a higher final of 1.6367p (1.3639p).

Earnings per share of this company which makes plastic articles for domestic, horticultural and industrial purposes were shown as moving up from 6p to 6.9p.

Following increased cost of sales at £5.69m (£5.48m) gross profits came out up from £3.29m to £3.68m. Distribution costs rose from £978,259 to £1.1m and administration costs from £382,240 to £409,072. Net interest receivable was up from £633,068 receivable was up from £633,068

JJ&D FROST plc

UNAUDITED			
FOR THE SIX MONT			
	6 months	6 months	Year ended
	ended	ended 30th lune	31st Dec.
	30th June 1984	1983	1983
	. 1704 £	É	É
rnover (inc. VAT)	42,787,202	25,943,257	61.361,615
ofic before taxation	614,636	405,289	831,430
xacion	(150,776)	(151,887)	(234.299)
ofit after taxation	463,860	253,342	597,131
nority interests	(94,316)	(68,512)	(192,198)
traordinary item	-	(82,037)	(107,759)
ofit available for ordinary			
shareholders	369,544	102,793	297,174
erim dividend 1.5p (1983: 1.0p) .	(138,275)	(71,819)	(71,819)
al dividend 1.3p	· ''	—	(119,826)

231,269

Earnings per share on weighted average based on 9,218,371 shares in issue 4.07p

CHAIRMAN'S STATEMENT

Profit retained

3.58₀ 6.66p The increase in the interim dividend of 50% reflects the very strong activity in the first half of the year, as mentioned in the Annual Report.

105,529

30,974

Negotiations have already commenced with Elf on the supply and rental terms for fifty-one leasehold sites in Look Service Stations Limited, which are due for review in April 1985. I am unable to report to date the fruitful outcome of these negotiations and I will report in due course upon the result. Elf have stated in their 1983. Report and Accounts their policy for re-organisation in the U.K. retail sector and your company is actively pursuing alternative product supply for its new freehold site expansion in Honeyfall Limited. In the meantime, your directors consider it prudent to hold Elf to all its existing agreements.

The company remains profitable, liquid and strong. The prospects for the future remain as exciting as before.

30th August, 1984

Granville & Co. Limited Member of NASDIM Telephone 01-621 1212 27/28 Lovat Lane London EC3R 8EB **Over-the-Counter Market** 60 73 46 7.7 15.0 75 51 4.9 45 51 137 5.9 8.2 12.8 14.8 — 15.0 15.6 — 3.8 0.9 31.7 200 39.2 5.9 5.7 12.1 24.7 9.5 Suspended - 1.3 6.2 10.2 14.7 6.8 7.8 66 10.1 17.4 7.4 5.8 11.2



Rock in black

end-December 1979.

Last year Rock incurred pretax losses of £274,186 following
losses of £347,506 and £342,315
in 1982 and 1981 respectively.

Six months were shown as located near coalfields, and

In the last second half pre-tax profits came to £52,000 to give £114,426 (losses £518,375 for 15 months) for the year. The directors then predicted that profits for the current year would total not less than £250,000.

Although total new vehicle

ducts divisions and remained at from the new petrol station to come into the current half, Glanfield lookfis well on track to meet its £250,000 profits forecast. The shares rose 4p to 48p, 15.6 and vehicle stocking facilities prospective earnings, were re-negotiated on more assuming a 35 per cent tax were re-negotiated on more favourable terms—both these charge, which looks overvalued factors helped reduce the outrading grounds alone. Moresatisfactory levels in the finance and property divisions.

In May, net proceeds of a recent rights issue were received and vehicle stocking facilities were re-negotiated on more favourable terms—both these factors helped reduce the interest charges paid. Interest costs fell from £191,000 to £189,000.

• Comment

The miners' strike has knocked the stuffing out of Glanfield

Comment

The miners' strike has knocked the stuffing out of Glanfield rise in its share price to make a rise in its share price to make a paper acquisition of its own to reduce its dependence on the vagaries of the motor trade.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an offer of, or invitation to the public to subscribe for or to purchase, any securities.

U.S.\$60,000,000 Riggs National Corporation (Incorporated in Delaware, U.S.A.)

FLOATING RATE SUBORDINATED NOTES DUE 1996

The following have agreed to purchase the Notes:

MORGAN STANLEY INTERNATIONAL

BANQUE PARIBAS

SALOMON BROTHERS INTERNATIONAL LIMITED

BANK OF TOKYO INTERNATIONAL LIMITED

COMMERZBANK AKTIENGESELLSCHAFT CRÉDIT LYONNAIS

FUJI INTERNATIONAL FINANCE LIMITED

MITSUBISHI FINANCE INTERNATIONAL LIMITED

MANUFACTURERS HANOVER LIMITED

SOCIÉTÉ GÉNÉRALE DE BANQUE S.A.

CHEMICAL BANK INTERNATIONAL LIMITED **COUNTY BANK LIMITED**

> CREDIT SUISSE PIRST BOSTON LIMITED GOLDMAN SACHS INTERNATIONAL CORP.

MERRILL LYNCH INTERNATIONAL & CO.

SAMUEL MONTAGU & CO. LIMITED

SUMITOMO FINANCE INTERNATIONAL SWISS BANK CORPORATION INTERNATIONAL LIMITED

The Notes in the denomination of U.S. \$10,000 or multiples thereof, in the case of Registered Notes, issued at 100 per cent., have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary Global Note. Interest is payable quarterly in arrears in March, June, September and December, the first payment being

Particulars of the Notes and the Issuer are available from Extel Statistical Services Limited and may be obtained during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including September 14, 1984 from the brokers to the issue:

Cazenove & Co., 12, Tokenhouse Yard, London EC2R 7AN

to Holders of

INSTITUTO NACIONAL DE INDUSTRIA

8% Bonds due 1987

NOTICE IS HEREBY GIVEN that pursuant to the terms and conditions of the above issue US\$2,000,000 (Nominal) are to be redeemed at par on 1st October 1984, the following bond serial numbers have been drawn for redemption in the presence of a notary public at a price equal to 100% of the principal face amount.

BONDS OF \$1,000 EACH

Bonds not listed above are not affected by this redemption.

Bonds so designated for redemption will become due and payable on 1st October 1984 in the currency of the United States of America at the office of the principal Paying Agent, Manufacturers Hanover Trust Co., Corporate Trust Office, New York, or at the holders option to the other Paying Agents named on the bonds.

Payment of the redemption price of the bonds called will be made upon presentation and surrender of such bonds with Coupons No. 13 and subsequent Coupons attached. Coupon No. 12 should be detached and encashed in the usual manner. Interest on the Bonds drawn will cease on and after 1st October 1984.

Manufacturers Hanover Trust Company, on behalf of

INSTITUTO NACIONAL DE INDUSTRIA

Milbury p.l.c.

(Housebuilding - Milbury Homes North, South & West Limited) (Property Development - Westminster Property Group Limited) (Building Contractors - T Headley Limited & Lee Bros (Aldershot) Limited).

Year Ended 31st	March 1984
1984 2000	1983 £000
25,711	17,268
2,103	535
22,18p	9.47p
5.4D	4.9p
3.67	1.93
12,389	7,565
11,697	1,861
4,194	53
	1984 2000 25,711 2,103 22,18p 5,4p 3,67 12,389 11,697

Extracts from the Statement by the Chairman, Mr. Jim Raper:

Four acquisitions, three of which were concluded after the year end, have not only enhanced our traditional housebuilding operations but also broadened the scope of our activities into property development and building contracting.

The Board has been strengthened to provide the effective stewardship necessary for a dynamic and expanding group that is poised for further growth.

We are committed to the policy of maximising profit and return on capital by decentralised operations, each of which is a profit centre with delegated authority. I believe this policy to be important to the development of any aggressive and profit conscious company and perhaps it is of especial significance in the Building Sector, where success depends on a detailed knowledge of local market requirements and conditions.

I have confidence that we will achieve further progress during the current year, which has started well with housebuilding sales being over 50% up on the comparable period, whilst our contracting and property development divisions have higher work in progress than

17 Hill Street, Berkeley Square, London WIX 8DS Telephone: 01-629 8865

BAT gains control of W. German stores chain

BAT Industries, the tobacco, retailing, paper and insurance group has increased its stake in Horten, West Germany's fourth largest stores company, to 51 from 49 per cent following last week's clearance from the Berlin

Batig the British company's West German holding company which owns the Horten shares, does not aim to increase its holding further, Mr Harald Erichsen, Batig managing board chairman

Batig managing board chairman said.

Mr Erichsen was speaking yesterday at the annual meeting of Horten, of which he is supervisory board chairman.

Reports had circulated on the Frankfurt Stock Exchange earlier this week that Batig would seek to buy a further 25 per cent in Horten held by Deutsche Gesellschaft fuer Anlageverwaltung, an investment company

Worthington to consult brokers

Two investors who have acquired a 14.9 per cent holding in A. J. Worthington, a loss-making Staffordshire textile group, yesterday put outline proposals to its chairman which will be discussed with Worthington's stockbrokers, Quilter Goodison. Mr Michael Hartland, Worthington's chairman, said yesterday's talks produced nothing which he could put to the company's board. At this stage, there was no question of Mr Jack Grant and Mr Sidney Friedland, the two investors, joining the Wastington hard. investors who the two investors, joining the Worthington board.

Worthington shares rose 5‡p yesterday to 30p, valuing the company at £500,000.

Further Panel intervention in Premier's bid battle

BY DOMINIC LAWSON

the Takeover Panel.

The board of Premier was prevented by the Panel from holding a scheduled meeting with the London oil Analysts Group yesterday. The Panel insisted that the meeting, which would have been attended by institutional investors in Premier, contravened Rule 10 of the Takeover Code. This stipulates that during the course of a takeover a company may not furnish information to some shareholders, which would not be immediately

THE CONTESTED £100m takeover bid by Carless Capel &
Leonard for fellow oil company
Premier Consolidated Olifields
yesterday became embroiled in
a series of wrangles involving
the Takeogra Panel
wisit Carless' important oil that a group of five oil analysts, institutional investors in Carless, had travelled down on Tuesday to visit Carless' important oil well at Horndean in Sussex. There the analysts met Mr Andrew Stubberfield, the Carless company secretary.

This took place after the bid for Premier's advisor, Schroder Wagg, has reported the incident to the Takeover Panel, arguing that Carless has infringed exactly the same rule that had prevented Premier from holding its meeting with analysts yesterday.

Carless Capel & Leonard has Carless Capel & Leonard has aiready been found guilty of a breach of the Takeover Code. On Tuesday the Carless chairman said publicly that he would not improve the terms of the original bid of one Carless share for every three shares in Premier. This statement our stituted an infringement of Rule 42 of the Code, which says that such a statement cannot be made until after a formal offer document has been sent out.

Carless is expected to send out

Carless is expected to send out its formal offer to Premier share-holders at the weekend. Yesterday Premier's shares closed at 69p, while Carless' finished at 205p, down 3p.

Tate extends its £324m bid and looks to shake out speculators

THE £324m cash and equity bid by sugar refiner Tate & Lyle for Brooke Bond ran through its first closing date yesterday having attracted a predictably

low level of response.

The offer has been extended by three weeks to September 20 with the bidder embarking on a campaign which it believes will shake out speculative holders of Brooke Bond shares.

The appropriate extending the believes will shake out speculative holders of Brooke Bond shares. holders of Brooke Bond shares.
Tate announced yesterday
that its terms had received
acceptances from holders of just
0.57 per cent of Brooke Bond's
equity and, having begun the
campaign with a negligible
holding, the bidder currently
speaks for only 1.21 per cent of
its target.

Brooke Bond's share price was resilient at 111p but Tate's own price came off 6p at 380p with the market still willing to believe that Tate will either revise its terms sometime during the current extension period of that a third party will approach Brooke Bond with a more congenial offer.

While Brooke Bond, through its advisers, Lazard Bros, thought that Tate was merely "prolonging the agony" by this extension, the bidder was convinced that its offer of one share and 350p in cash for every seven Brooke Bond shares remained "very fair."

Mr Neil Shaw, managing director of Tate and credited

with much of the group's successful rationalisation in recent years, said that if the offer "were to lapse, the value of Brooke Bond shares was likely to fall significantly."

"The present Brooke Bond share price is largely supported by speculation of a possible counter-bid," he added. He was certain that the institutions which hold stakes in both companies regard the price, currently worth 104p per Brooke Bond share, "as a good one for the Brooke Bond assets."

Mr Shaw commented that "once they have made up their minds, the institutions will come in. I do not think there is a white knight, and I never have."

BIDS AND DEALS IN BRIEF

Continental Advertising Holdings received £1.04m in cash received £1.04m in cash from Reed International as a repayment from the £19m paid on account by London and Continental on June 12 1984.

Under the terms of an agreement for the acquisition by London and Continental of London & Provincial Poster Group, the consideration payable to cover the increase in fixed assets and working capital of London & Provincial between April 3 1983 and June 12 1984, the completion date of the acquisition.

The consideration has now been determined at £17.96m and accordingly the repayment

accordingly the repayment referred to above has been

Booker McConnell has concluded an agreement with Appleby and Son, Spar whole-salers of Bristol, under which Westward Food Distributors of Saltash, Cornwall, has been sold

will be utilised for new product development and marketing. been formed to own both Westward Food Distributors and Appleby and Son:

The recommended proposals, effected by a scheme of arrangement, for the acquisition by Trumanns steel group in the shares not already owned in James Austin Steel Holdings has been specioused by the High been sanctioned by the High Court and became effective and binding on all shareholders as from August 28 1984.

Irrevocable undertakings to accept the increased offer by the Tunstall Telecom Group for Munford and White have been received in respect of a total of 1,495,012 ordinary shares. The undertakings, together with the 30,000 shares already owned by Tunstall, represent approximately 47 per cent of M and W's equity.

equity. * * * *

ICFC, a division of 3i, has invested £140,000 for a 20 per cent holding in Taxsoft, a sup-Westward. The company has taxation software. The funding cent of the issued share capital). cent).

Unochreme Group's offer for onocareme taroup's oner for Silverthorne has been accepted in respect of 419,202 Silverthorne shares (80.4 per cent of the offer). Prior to the announce-

ment of the offer, Unochrome owned 2.98m Silverthorne shares (85.1 per cent). State Street Nominees has purchased 100,000 Frederick Parker Group shares to take its holding te 960,000 (6.65 per cent).

Centreway Industries—The Wesleyan and General Assurance Society has acquired 200,000 ordinary and its beneficial interest is now 1m shares (9.26 per cent).

Merrilli (gas cmf bgk bgkaqaq New Throgmerton Trust (1983)

Merrill Lynch Pierce Fenner Smith has sold 250,000 capital shares which reduces its interest to 1.25m capital shares (6.25 per capital shares capital shares capital).

Haslemere Estates Rodamoo NV has increased its sharehold-ing to 1.825m ordinary (6.21 per Dualvest-The Merchant Navy

Officers' Pension Fund is beneficial owner of 441,500 shares (22 per cent of that class). Angio Indonesian Corporation—The International Investment Trust Company of Jersey is now interested in 776,500 ordinary (13.09 per cent).

Lincroft Kilgeur-L. Messel and Co, the group's brokers, have purchased 70,000 non-assented shares at £1.24° on behalf of Kleinworf Benson, an associate of Lincroft Kilgour.

of Lincroft Kilgour.

Racal Electronics—Scrimgeour,
Remp-Gee and Co, the group's
brokers, have sold on behalf of
a discretionary client 6,000
shares at 226p.

Ratners (Jewellers)—Director
Mr L. M. Ratner, has disposed of
250,000 shares and now holds
2,770,900 shares (9.33 per cent).
Director Mr J. M. Ratner, has
disposed of 200,000 shares and
now holds 1,618,500 (5.4 per
ling AUTHORITY following the
retirement of the present head,
Mr Eric Croston, next month.
Mr Melaniphy joins the IRA

COMPANY NEWS IN BRIEF

First half profit of the Vectis stone Group shows little change at £377,000 and, in the light of current trading conditions, the figure for the full 1934 year is expected to be similar to the £902,000 achieved in the 12 able. Total for the previous months ended September 30 1983.

Actual accounts last time ran annum. Actual accounts last time ran annum. for 15 months and showed a

In the half-year the construc-

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on lest year's timetable.	Hewitt (J.) (Fenton) Insight Jones and Shipman KCA Drilling Keen and Scott Koep Trust Kode International Lambert Howarth Low and Bonar	Sept 3 Sept 6 Sept 3 Sept 5 Sept 5 Sept 4
-	Lowe Howard-Spink Campbell-	
TODAY	Lowe Howard-Spink Campbell- Ewald	Sept 11
Interios:—Alexanders Holdings,	Macfarlane (Clanaman)	†Sept 3
Arbuthnot Government Securities Trust.	New England Properties	Sept (
Chemical Methods Associates, Church,	Provident Financial	
Elys (Wimbledon), Molynx, Scottish	Rowntree Mackintosh ,	
Northern Investment Trust.	Royal Dutch Petroleum	Sept 13
Finals:—East of Scotland Onshore,	"Shell" Transport and Trading	
Imry Property, New Darien Oil Trust,	Simon Engineering	
Polytechnic Marine, Smith Whitworth,	Sparrow (G. W.)	Sept 14
Zembia Copper Investments.	Tavener Ruzledge	Sept
FUTURE DATES	Уоврег	
Interime:—	Finals:—	-op: m
Aurora Sept 12	Armstrong Equipment	Sept 19
Automotive Products Sept 3	Consolidated Gold Fletds	
Biddle, Sept 13	Dixon (David)	Sept 4
Boase Massimi Polijtt Sapt 24	London and Gartmore invest-	
Booker McConnell Sept 6	ment Trust	
Brent Chemicals International Sept 18	London Merchant Securities	
British Mohair Sept 13	Lowland Investment	Oct 19
Burmafi für Cant 19	Shelden lease	Sant

BANK RETURN						
	Wednesday August 29 1984	Increase (+) or Decrease () for week				
ANKING DEPARTMENT						
1	£ 14,55š,000	£				

BANKING DEPARTMENT					
Liabilities Capital Public Deposits Bankers Deposits Reserve and other Accounts	£ 14,553,000 40,839,951 697,340,992 1,421,130,025	# 564,529 + 30,328,408 — 48,259,238			
, î	2,173,853,978	- 12,366,301			
Ascets Government Securities	419,471,830 789,246,239 987,385,512 7,658,484 161,913	+ 16,309,973 110,467,470 + 82,817,394 914,526 11,672			
	2,173,030,916	- 12,366,301			
ISSUE DEPARTMENT					

Liabilities Notes issued In circulation In Banking Department	£ 12,220,000,000 18,212,541,516 7,668,484	++	40,000,000 40,914,526 914,526
Government Debt Other Government Securities	11,015,100 2,026,754,446 10,182,250,454	: : :	86,963,897 46,963,897
	13,320,000,000	Ţ <u>.</u>	40,000,000

tion division performed well and shows a marginal improvement snows a marginal improvement in profit over the relatively high earnings in 1983. Profits from fuel and vehicle distribution are slightly lower, reflecting the mild winter and competitive market conditions. The reorganisation of Columbia Products sation of Columbia Products (toiletries and holdsis) is continuing but benefits are taking longer than expected to show

Sales came to £5.62m (£5.46m). Tax takes £174,000 (£172,000) to leave the net profit at £203,000 (£210,000) for earnings of 1.46p (1.51p) per share. A provision for deferred tax is to be established out of profits of earlier lished, out of profits of earlier years, in the 1984 accounts. Accordingly, the half-year tax

Minorities took £243,515 (credit £61,077). in Sep Moran has interests in property musical. investment and development in the UK, and the production and manufacture of tea in India.

A dull tyre market, coupled with reduced demand for truck and logging tyres, hit the earnings of Dunlop Malaysian Industries in the half year ended June 30 1984. Turnover fell 7 per cent to Ringgit 118m, and operating profits slumped by 60 per cent to Ringgit 6.5m.

Exceptional rains in East Malaysia severely curtained log-ging and this reduced demand in an important part of the group sales. Also there was keen competition from imports which have taken a Ringgit 40m share of the Malaysian market.

However, because of a much lower tax charge and a Ringgit 2.3m extraordinary gain from the sale of the state in 1.7. International to Pernas & Sime Darby. the net profit came out 17 per cent lower at Ringgit 8.3m.

Pacific Sales Organisation has beaten its profits forecast by £7,000 with pre-tax figures of £307,000 for the year to June 30 1984. The first two months of the current ways here here. 1984. The first two months of the current year have been satisfactory and the company is on budget to achieve its forecast

figure for the full year of not less than £390,000. This Manchester-based leather goods importer came to the USM last July. In the 18-month period to June 30 1983 it made pre-tax profits of £228,000.

Pre-tax profits of Stewart & Wight, retail baker and hotel owner, rose from £35,000 to £51,000 in the year to March 31 1984. Turnover advanced by £23,000 to £259,000. The dividend is held at 13p net per £1 share.

Below the line there was an extraordinary credit of £62,000 (nil) being a net gain on the sale of a redundant freehold bakery building. Earnings emerged at 62.01p (32,28p) per share.

Accordingly, the half-year tax charge has been provided at 46 per cent of current profits.

* * * *

With the Indian subsidiary of Moran Tea Holdings producing a record crop and with an upsurge in selling prices in the second half, the company has turned round from losses of 1524,323 to 5764,018 in the black for 1983.

There was an extraordinary credit of 5240,151, being part of the project on the redevelopment of the riverside warehouses at Wapping, jointly with Barrat Developments.

Minorities took \$243,515 (credit

conventional theatre and reope September with a new

Net asset value per 25p share at Electra Investment Trust declined from 131.44p to 126.83p in the three-mouth period to June 30 1984.

Restructuring at Norwich Winterthur Reinsurance

Fellowing the restructuring of its UK organisation. NORWIGH WINTERTHUR REINSURANCE CORPORATION has made the following appointments from September 1: Mr C. J. Catt, chief underwriter (property); Mr L. D. Lucas. chief underwriter (casualty); Mr R. W. Wood, chief underwriter (marine); Mr T. G. Clarke, actuary and chief manager (services); Mr C. J. Hopper, chief manager (finance); and Mr R. E. Townsend, corporate secretary. Mr Clarke, Mr Hopper and Mr Townsend will have similar titles in the parent company, Norwich Winterthur Holdings.

Mr Garth Bearman has been appointed a director of ROBERT FRASER & PARTNERS.

GLOBE INVESTMENT TRUST has appointed Mr Questis M. Morris as a non-executive director. He is director, group finance, of British Petroleum and a non-executive director of Granada Group and of Johnson Matthey.

Mr Iver McNish, company secretary and administrative manager of RUSTON-BUCYRUS, becomes a director on September 1. He joined the company, a subsidiary of Bucyrus Erie Co., U.S., in 1964.

The FRIENDLY SOCIETIES The FRIENDLY SOCIETIES
LIAISON COMMITTEE has
re-elected as chairman Mr P. M.
Madders (hon secretary, National
Conference of Friendly
Societies). Mr J. F. Lambeth
(secretary of the Association of
Collecting Friendly Societies)
was elected secretary of the
committee.

Mr Niri Deva and Mrs Jill Me Nici Deve and Mis Jin Moore have been appointed to the NATIONAL CONSUMER COUNCIL until April 39 1987. Mr Deve is a director of Manorial Research and of Trenchpalm. He was chairman of the Row Group from 1981 to Trenchpalm. He was chairman of the Bow Group from 1981 to 1982 and is currently editor of "Crossbow." Mrs Moore is chairman of the Consumers in the European Community Group (UK) and was appointed earlier this year to the European Commission's Consumers Consultative Committee. She is a teacher.

IMRY PROPERTY HOLDINGS has appointed Mr Alan L. Lee a director. He has been asso-ciated with the group, both in the UK and the U.S., for four years.

Mr Alan Wison has joined DUNLOP as director of the company's DIY products division, with responsibility for development and marketing of the division's product range, which includes both smooth floorings and carpet tiles for the domestic market, as well as some contract floorings and insulation products. He was with James Halstead and Co. as director of the retail division.

Mr Melaniphy joins the IBA following 12 years as head of the Sports Council's press and publisports cometr's press and publi-cations unit. Mr Robert Har-greaves has been appointed from September 24 chief assistant (television) at IBA with particular responsibility for the super-vision of independent television's factual programmes.

Mr John R. Windeler has been Mr John R. Windeler has been appointed managing director of IRVING TRUST INTERNATIONAL, a wholly-ewned subsidiary of the New York City bank. He was executive vice president of Irving Trust in charge of its investment banking group in New York. From 1981 to 1983 he managed the London division.

Mr Terry Gill has been appointed to the board of CAMPBELL'S SOUPS.

Following the merger of PHYSIOLOGICAL INSTRUMENTATION (PI) with Novametrix Medical Systems Inc (Novametrix) of Wallingford, Connecticut, U.S., which was completed at the end of 1983 by the acquisition by Novametrix of the entire issued share capital of PV entire issued share capital of PI.
Pl's board has been reconstructed. Mr R. J. Newton, Dr Structed. Mr R. J. Newton, J. Spreadborough, Mr G. G. Blakey and Mr D. N. Halsall have resigned. Dr D. Parker has been elected chairman and continues as research and development director, and Mr R. W. ment director, and Mr R W,
Lewis continues as managing
director. Mr Wynford VaughanThomas will continue as a nonexecutive director. The following
have been elected to the
board: Mr Louis P. Pelicerina,
arresident and shakes a fine president and chairman of the board of Novametrix; Mr William J. Lacouriere, executive vice-president and chief operat-In the three-month period to June 30 1984.

Total assets fell from £216.89m to £211.26m, and came out at £188.54m (£195.38m) ne liaythe and Curley.

Stockists and Distributors of Engineering and Industrial Consumable Supplies est for the six months to 30th June 1984 A

	6 months to 30.6.84	of eranom 9 \$3.6.00
States Profit (Loss) before taxation Taxation	3,106,998 22,852	1,652,999 (119,550)
Attributable Profit (Loss) Earnings (Loss) per share	22.852 0.14p	(119,550) (0,876)

am pleased to report a pre-tax profit of £22,852 for the first elx monitos ended. 30th June, 1984 against a loss of £119,550 for the state period but year. The return to profit reflects the success of reorganisation and reflectables of the by the new management. At the same time it is releved to £3,108,996 (£1,652,999) which principally reflement to £4,108,996 (£1,652,999) which principally reflement to £5,108,996 (£1,652,999).

While it is too early to predict a result for the full year, we expect the laust of profitability to be maintained in the second half, although market conditions continue to have an influence.

parity of pushing of the APPOINTMENT

Pentland up to £2.5m and Lec profit expects full year record

PRE-TAX profit of Pentland Industries has quadrupled in the opening half of 1984 to stand at £2.5m against £610,000.

Mr R. S. Rubin, the chairman, is "delighted" with the figures for the period to June 30, and goes on to say that the current helf should show a marked improvement over the comparable period, which added over fim to the surplus to give a record taxable result for the year at £1.68m.

Pentland, which is ultimately

Pentland, which is ultimately rentiand, which is intimately held by Robert Stephen Hold-ings, carries on the business of general trading, service and broking activities, with interests in footwear, clothing and general

The profit attributable to shareholders was £1.04m against £371.000, from which the higher dividend absorbed a larger share at £77,000 (£52,000). The company retained £963,000 (£319,000).

financial period.

The tax charge this time was tup from £114,000 to £965,000, and minority interests took £382,000 more at £490,000. There were extraordinary debits last time of £27,000.

The profit attributable to shareholders was £1.04m against profit attributable to the U.S. raced ahead on the back of the dollar's strength, with volumes assisted by the retruitment of new Chinese suppliers. But can Pentland dividend absorbed a larger share at £77,000 (£52,000). The comparation of the world rights to the Reebok name in March at £77,000 (£52,000). The company retained £963,000 (£319,000).

Earnings per share are quoted at 6.71p against an adjusted 2.57p.

Comment

Pentland's quadrupling in pre-tax profits on an 80 per cent increase in sales was way above the market's expectations, and the shares accordingly jumped 13p to a new high of 128p. Reebok shoes, which probably brought in around two-thirds of the profits, have gained market share in the U.S. and benefited from a

Strike costs Cattle's £250,000

THE EFFECTS of the miners' strike have cost the financial services group Cattle (Holdings) some 2250,000 in the first half of 1984, and its resulting pre-tax profit is down from £922,000 to £835,000. But for this, profits have continued their upward

Shopacheck Financial Services,

company has made certain pro-visions in those accounts where non-payment has been identified as solely due to the strike. "These, together with an esti-mated loss from everyday busi-

ness in these areas, adversely affected the half year profit by approximately £250,000." The hire purchase division has begun to reverse the disappointing trend reported in 1983, and Shopacheck Financial Services, which operates in most of the mining areas, was the most ing trend reported in 1983, and affected. The company had to resolve the dilema regarding the on capital is well founded. The provisions against miners accounts which had fallen into default because they are on strike. Following its normal conservative policy over provisions division. cipating a record year for the

10 retail units are operating Insurance Brokers. The commercial and life and pensions side continues to trade as CIB Insurance Brokers and CIB Life and Panelors. Group turnover in the half

group turnover in the nair year showed a arginal reduction at £35.1m (£35.4m). After tax £302,000 (£369,000) the net profit came to £533,000 (£553,000) for earnings of 1.22p per share (1.27p). The interim dividend is 0.6p net, against the equivalent 0.58p. In 1983 the company and a total equit to 1.42p from division. paid a total equal to 1.42p from
At CIB Insurance Brokers, one pre-tax profits of £1.91m

SAI warns of downturn for year

previous 12 months.

Profits for the opening half were down by \$0.4m at \$1.8m.
In the main fertiliser business market: stability continued through the spring but prices deteriorated with the start of the new reason.

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All raw material prices con-tinued to increase, in part due to the strength of the dollar, and with this situation likely to per-sist until the "needed increase" in fertiliser prices can be established profits for 1984 are "likely to be substantially less

Agricultural Industries warn shareholders in their interim report that group pre-tax profits for the full 1984 year are likely to be "substantially less" than the £8.02m returned over the construction of a new profits acid plant which will come on stream early in 1986.

This will replace existing production canacity and result in

The group, a subsidiary of Imperial Chemical Industries, imperial Chemical Industries, manufactures fertilisers and composts. It is also a processor of farm seeds and peat.

Earnings were 23p lower at 142p per £1 share but the net interim dividend is the same at £5.

made to merchant the feed pro-ducts of BOCM Silcock. This arrangement is now fully operational and the Carrick Mill, which manufactured feed, has been closed. The development of the group's oil related activities is

continuing.

In the half year the Scotoil
Services subsidiary acquired a
40 per cent shareholding in a
German manufacturer of flexible piping and will now develop sales of the product to the oil interests in the North Sea and

elsewhere in the world.

No interest charges were payable in the first half (£0.3m) and interest received rose by £0.1m to £0.2m.

Tax took £0.5m (£0.8m) and extraordinary items £0.1m (nil), emphasis on improved efficiency to cease production of animal connection with the Carrick Mill.

Reliance Industrial omits final

A LOSS of some £190,000 in the second six months has left Reliance: Industrial Holdings results on very poor sales in the with pre-tax profits of £89,000 for the full year to April 30, 1984, a shortfall of £435,000 on the previous year's figures.

The final dividend is being passed (0.9p) which leaves shareholders with 0.94p for the year (1.75p).

In their midyear report, with profits up by £80,000, the directors were reasonably optimistic for 1984 and said they would be disappointed not to see a continuing improvement in the group's results.

They blame the year-end They blame they profit previous previous previous proves ment to the year-end They blame the year-end They blame they year-end They blame the year-end They blame they were pressure on margins, heavy investment costs, particularly in Reliance Hostery which have

back to be only "temporary" and say that strenuous efforts are being made at all levels of man-agement to achieve an improve-ment in profits. The dividend cut will be restored "as soon as results allow."

as results allow."

Turnover for the year totalled £25.02m (£22.63m). However, sales in the last four months were almost £1.8m below budget which resulted in higher yearend stock and higher borrowings. Action is being taken to reduce both.

growth slows at six months

THE six months to June 30 1984 witnessed a slow-down in the rate of profit improvement at Lec Refrigeration, manufacturer and distributer of refrigeration equipment.

Profits before tax rose from £2.07m to £2.13m, or some 3 per cent, against the substantial rate of lacrease reported in the second half of the last year, when the full period figure reached £5.64m

25.04m.
The interim divideod is held at 4p net per share. There was a total of 12.5p last year.
Turnover for the half was £24.29m, up from £21.98m, having stood at £48.21m for 1983.
After tax of £902,000 (£518,000), net profit emerged at 1.23m (£1.55m).
A decrease from 25.69p to 1.23m (f1.55m).

A decrease from 25.69p to
20.29p in stated earnings per
share was due the increase in
taxation arising from changes in

beneficial: it will cut out imports of dominant brands like Zanussi. What is certain is that this year will be nothing like as strong as last year. A likely £5.3m outturn before tax at around 40 per cent put the 335p shares, down 8p. on a prespective multiple of 63, which seems a fair enough rating.

The second half profit came to \$316,000 for a total of £354,000 for the year ended March 31 1984, compared with £483,000. It was a way of section 1984. this wholesale electric com-ponents distributor, and Mr Thomas feels that a period of stability is needed to allow management to consolidate the reconstruction in profit terms and

emciency of the group, the chairman stresses.

The Chippenham (Wlitshire) branch should contribute to profitability in the current year but no significant share is expected from the Kingsbury (London, NW9) unit. Turnover in 1983-84 totalled £16.47m (£15.83m)

COMPANY NEWS IN BRIEF

An improvement in profits dividends for the period are from £33,300 to £141,900 on turnover ahead from £335,000 to £348,000 has been achieved by The interim is held at 2.25p.

Miss World Group for the first half of 1984. Mr Eric Morley, chairmen, says the improvement totalled £3.84m (£5.11m). Earning basically due to obtaining increased sponsorship of direct expenses.

With the Miss United Kingdom

* * * Engineer and machine maker Engineer and machine maker Thomas Robinson & Son has returned to profits, turning in £70,000 for the six months ended June 30, 1984. With the preference rights issue in May, the directors forecast a profit for the year 1984 of some £350,000. Turnover for the half moved up from £3.96m to £5.51m.

In the corresponding half of 1983 the loss was £470,000, and that had increased to nearly £700,000 by the year-end.

Net asset value per 25p share of the United States Debenture Corporation rose by 2p to 203p over the 12 months ended July 31 1984. Profits for the half-year to end-July fell by £1.08m compared with the same period last year to £1.75m after tax of £949.000, against £1.55m previously.

against #1.55m previously.

The current accounting period
will cover 11 months and total

Proviously and period after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock will cover 11 months and total

Raging Parks

With the Miss United Kingdom contest having taken place in August: and Miss World scheduled in November, Mr Morley says that the second six mooths are more profitable than the first.

Current trading is up to budget and the outcome for the year should be satisfactory. In the last full year pre-tax profits came to £340,500.

The use interim dividend of this USM stock has been lifted from 1p to 1.1p. In the last full year a total of 3p was paid.

First half earnings per share are shown as falling from an adjusted 4.38p to 3.86p.

£570,000.

He adds that these trends are continuing and the full year results will reflect this. The interim dividend is raised

from 1.19p to 1.6p net per 10p share. Last year the total reached 5.19p. Turnover for the period to

DIVIDENDS ANNOUNCED

		Date	Corre-	Total	Total
. (urrent	of :	sponding	for	last
I	ayment	payment			year
A.bbey	nil		2.53	nil	3.94
Cattle's (Holdings) int		Oct 12	0.58*	_	1.42*
Charterhouse int		Oct 17	0.25	_	0.75
Fleet Holdings	3.25	Oct 1	1.5	5	2.25
Home Counties int	2.25	Sept 28			5
industrial Financet	2.15	Nov 7	1.5	3	2.25
Johnson Cleaners int			3	_	12.42
Ledbroke Group int		Oct 25	4.07	_	9.02
LASMO int		Oct 31			11.5
EC Refrigeration		Oct 20			12.5
Miss World:		Oct 12		=	3
Moran Tea	6	- CC	i	10	2
Penilandint		Nov 1			
			0.34*		1.74
Scottish Agricultural int	0.5	Nov 5	6.5	_	18.5
Stat-Plust int		Oct 1	_		
Stewart Plastics		Oct 17	1.36	2.43	2.02
Stewart & Wight			13	13	13
U.S. Debenture int	2.25		2.25	_	6.52
Vectis Stone int	0.9	Oct 12	0.8	_	2.58
Ward Holdings int	1.6	Oct 5	119	_	5.19
Whitworth Electric	1.51		1.51	1.51	1.51
Milliantin Prente	1.01		1.01	7:07	7-47

Dividends shown pence per share net except where otherwise stated.

الرسان ومستورز ووالتنا فدورا المكأ بروديوا الواران

Shareholders in London and Announcing a sharp increase
in interim taxable profits from per cent of the Preference shares £959,000 to £1.63m, Mr D. J. offered in an underwritten four-

previously when conditions were April 30 1984 was up from much more difficult. For the £7.63m to £10m. The tax charge whole of 1983 the loss was was £409,000 (£39,000).

for-one rights issue. The balance not taken up by members amounted to 103.24m shares. Ward, the chairman of property developer Ward Holdings, states that the result reflects the steady improvement in the group's performance and the satisfactory state of property market conditions in general. * * *

A seventh successive record year for Industrial Finance and Investment Corporation has seen pre-tax profits rise by over 100 per cent from £359,354 to £731,794.

T31,794.

The group is a licensed deposit taker and dealer in securities which is traded on the USM.

The final dividend is lifted from 1.5p net per share to 2.15p, making a total for the year of 3p (2.25p). Earnings per share are quoted at 15.64p, up from

Turnover increased from £1.2m to £2.33m. Tax took £234,000 (£19,000) and minority interests £9,000 (£23,000). Attributable profit came out at £489,000 (£317,000) from which the dividend will account for £95,000 (£68,000). The company retained £394,000 (£249,000).

Thew Engineering is raising a net £750,000 on the over-the counter market via an offer for sale of ordinary shares qualifying for tax relief under the business expansion scheme.

The group is projecting pre-tax profits of £500,000 for the year ending April 3 1985, putting it on a prospective multiple of 9.76. Proceeds of the issue will be used to aid the expansion of this Southampton-based petrochemi-cal and marine engineering

group.

The offer for sale is being made by Harvard Securities.

MINING NEWS

Tax savings leave RGC with increased profit

Good start by Zimbabwe sales agency

finances on a sound footing."

The organisation is Zimbabwe's

only legal agency for mineral export sales, and charges producers a commission of 0.875 per cent on all sales. Zimbabwe's

considerable gold production is the only mineral exempt from

sale through the agency, as sales sale unfoling the agency, as sales are already handled by the country's reserve bank.

Zimbabwe produces a wide range of minerals, and is one

THE Consolidated Gold Fields group's 49 per cent-owned Australian arm, Renison Gold-fields Consolidated reports a pre-tax profit for the year to June 30 of A\$8.19m (£5.36m) compared with A\$8.55m in the previous 12 per cent-owned fields during the year and the latter completed its mill expansion to double ore throughput. Group borrowings at the end of the year were negligible and cash reserves amounted to A\$26m. group's 49 per cent-owned ordinary shares of 10 cents
Australian arm, Renison Goldfields Consolidated reports a prefax profit for the year to June 30
of A\$8.19m (£5.36m) compared
with A\$8.55m in the previous 12
February.

There is again no dividend on

with A\$8.55m in the previous 12 months.

On the latest occasion, however, the restructuring of the group's operating divisions had resulted in a tax credit of A\$2.03m compared with a tax charge of A\$2.39m a year ago. Thus the latest attributable for its mineral sands products. On the other hand it had to live against A\$6.15m a year ago when there was also a A\$3.95m gain on sales of investments.

RGC says that it has no current intention of returning to the practice of paying interim diviagainst ASS.10m a year ago when there was also a AS3.85m gain on sales of investments.

RGC says that it has no current intention of returning to the practice of paying interim dividends.

RGC acquired the remaining to the previous solution of the previous for copper prices and the output restriction and it will face increased spending on exploration content with low processor rose following to contend with low copper prices and the output restriction and it will face increased spending on exploration content with face increased spending on exploration content with low copper prices and the output restriction and it will face increased spending on exploration content with low copper prices and the output restriction and it will face increased spending on exploration content with low copper prices and the output restriction and it will face increased spending on exploration content with low copper prices and the output restriction and it will face increased spending on exploration content with low copper prices and the output restriction and it will face increased spending on exploration content with low copper prices and the output restriction and it will face increased spending on exploration content with low copper prices and the output restriction and it will face increased spending on exploration content with low copper prices and the output restriction and the proving the previous face and the output restriction and it will face increased spending on exploration content with low copper prices and the output restriction and it will face increased spending on exploration content with low copper prices and the output restriction and it will face increased spending on exploration content with low prices for copper while having to content with low copper prices and the output restriction and it will face increased spending on exploration content with low provides and the previous face and the output restriction and it will face increased spending on exploration content with the provides and the provides are sup

comment After last year's exceptionally good results, these figures from Lec were never going to melt investor's hearts. A look at the ZIMBABWE'S Minerals Marketing Corporation has sold Minerals and metals worth from the mining industry, which 25430m (£250m) abroad in its mainly controlled by foreign-first year of operation, which ended on June 30, according to news agency reports from Harare.

Harare.

He added that the agency, set up in spite of severe criticism from the mining industry, which is mainly controlled by foreign-owned companies, had recouped a loss caused by start-up news agency reports from expenses and had "generated a surplus, setting the corporation's finances on a sound footing." investor's hearts. A look at the fridge market tells it all. In a normal year about 2m units are sold nationally. Last year's consumer boom generated a demand for 2.5m units and the pattern this year looks like reverting to a normal year again. Without organic growth in the market, all that happens is that manufac-The amount is broadly on a par with recent figures for the value of Zimbabwe's mineral output, which normally accounts for something over 40 per cent of that happens is that manufac-turers join battle for each other's market share and—as the Lec sums show—margins suffer. In sums show—margins suffer. In Lec's case it is still too soon to judge whether the special promotions and £500.000 advertising campaigns have been successful in boosting its 20 per cent share, but the miners' strike and inrioduction of VAT on home independent of the programment of the strike in the programment of the strike in the strike the country's exports.
Mr Christopher Ushewokunze, chairman of the government-controlled agency, said that the corporation held no large stocks of minerals, apart from asbestos, and even these were confined to a limited range of grades. provements couldn't have helped. Ironically an extended dekers' strike culd turn out to be

£130,000 fall at Whitworth **Electric**

SECOND HALF reduction in profits at Whitworth Electric (Holdings) has slowed down to £37,000, but chairman Mr R. A. Thomas says there is still a long way to go before the worst is over in all the group's market sectors. Trading is very competitive in all areas throughout the south and south east.

The second half profit came to

reconstruction in profit terms and identify the opportunities while overheads are monitored.

This year, development costs of the new computer system charged to the accounts have gone up from £34,000 to nearly £70,000, and will continue to be reflected in the results. Development of the system "is of parameters." ment of the system "is of para mount importance" to the future efficiency of the group, the chair

earnings fall in final quarter FOLLOWING a poor fourth quarter the South African Geneor group's Trans-Natal Coal Cor-poration has made a reduced net profit of R37.7m (£18.6m), equal

Looking to current year's pros-

Markets for iron ore, steel and copper remained depressed, he added, but sales of ferro-chrome

and to a lesser extent tin had

Demand for nickel, lithium and graphite had fluctuated.

He added that although some

minerals, such as ferro-chrome, were sold on barter deals, this form of trading represented a

very small proportion of the agency's total sales.

been very strong.

to 62 cents per share, in the year to June 30 compared with R45.22 in the previous 12 months.

Trans Natal

pects RGC expects to continue to benefit from the upturn in the market for its mineral sands pro-ducts (rutile and ilmenite), the expansion of gold production and the development of a gold mine of the control of the As already announced, the final dividend has been maintained at 30 cents (14.8p) to leave the year's total unchanged at 60 at Pine Creek in the Northern Territory.
Meanwhile the group is still

Trans-Natal says that although quarter pre-tax profits fell because of problems with the production of an exceptional export product from the Optimum colliery and adverse weather conditions.

In the quarter a further provision of R1.6m was made for unrealised currency losses on foreign loans. At June 30 unrealised currency losses of R6.2m, in addition to amounts absolute provided for wars. of the world's leaders in output of chrome and certain types of asbestos. Mr Ushewokunze said that asbestos had fared well in already provided for, were deferred. If necessary this sum spite of contracting world markets and a campaign against the fibre on health grounds. will be accounted for over the

The company is currently makinb a rights offer of 12.7 per cent unsecured convertible debentures of 850 cents at par in the proportion of 15 convertible debontures for every 100 ordinary shares held on August

The offer, which closes on September 14, is designed to raise R75m. This will be used to finance the continuing expansion programme of Trans-Natal and its subsidiaries.



FLEET HOLDINGS P.L.C.

Preliminary Announcement Year ended 30 June 1984

	1984	1983
	(Subject to audit)	
	0003	£000
Turnover	324,522	300,384
Profit before Taxation	22,084	9,528
Taxation	(6,564)	(709)
Profit after Taxation	15,520	8,819
Extraordinaryitems	(275)	2,438
Profit attributable to shareholders	15,245	11,257
Dividends paid & proposed	4,222	1,355
Earnings per share	·	•
before extraordinary items	18.59p	13.34p
after extraordinary items	18.26p	17.04p

- Group profit from ordinary activities before taxation was £22 million.
- The profit for the year included £4.6 million, before capital gains tax, arising from the sale of part of the Group's holding in Reuters.
- Net asset value per share at 30 June 1984 was 170p.
- Proposed final dividend for the year ended 30 June 1984 is 3.25p per share bringing the total for the year to 5.00p, compared with 2.25p for the previous year and 1p for the first trading period of nine months to 30 June 1982.
- Annual General Meeting will be held on Wednesday, 3 October 1984 in the Pepys Suite, The London International Press Centre, New Street Square, London EC4A 3JB at 12.00 noon.
- The Annual Report will be posted to shareholders on 6 September 1984.

Turnov	ver and Prof	it by Activi	ty	
National newspapers Regional newspapers Magazine publishing Other activities	1984 Turnover £000 245,943 5,983 68,215 4,381	1984 Profit £000 6,309 428 9,004 1,368	1983 Turnover £000 229,352 5,469 62,194 3,369	1983 Profit £000 2,884 406 5,763 1,070
	324,522	17,109	300,384	10,123
Share of results of related companie Income from other investments Profit on disposal of shares in	es	(506) 1,180		29 1,129
Reuters Holdings PLC Other interest receivable		4,600 306		98
Interest payable on Loan Stock Other interest payable		(147) (458)		(1,200) (651)
		22,084		9,528

The figures for the year ended 30 June 1983 are an abridged statement from the Group accounts as at that date. These accounts have been delivered to the Registrar of Companies and contain an unqualified auditors' report. Copies of the full Preliminary Announcement as released to The Stock Exchange are available from the Secretary.

FLEET HOLDINGS P.L.C., 121-128 FLEET STREET, LONDON EC4P 4JT.

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10 -+ +7+ +2 +4

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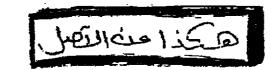
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MARKET REPORT

Conflicting late reports on dock strike throw

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Conflicting late reports on dock strike throw markets into confusion — — — — — — A sedate London stock market

A sedate London stock market session erupted an hour or so before the official, 3.30 pm, close of business yesterday on reports of conflicting developments in the UK dock dispute. Newsagency messages about the situation at the capital's Tilbury docks at first delighted the market and a short while later threw it into confusion. Original reports stated that Tilbury dockers had voted to return to work but this was subsequently denied by union officials. The situation remained extensely usclear.

ent activity earlier had Investment activity earlier had contracted sharply, reflecting contern over the scale of disruption in Britain's ports. Slightly easier Wall Street values overnight also made fer a more cautious approach swaiting the Tilbury result and today's ofher crucial vote at Felinstowe. After Wednesday's unexpected upsurge, leading shares eased a penny or two, but with little positive evidence of investors wanting to realise short-term profits, the undertone remained

Business in Insurances remained light but Composites moved higher in places. Ahead of their respective interim statements, scheduled for next ments, scheduled for next
Wednesday, Sum Allance rose 5
to 387p and GRE 9 to 596p.
The major clearing banks
failed to extend the previous
day's late rise. Lack of fresh
support resulted in a downward
drift which left Midland 4 down
at 328p and NatWest the same
amount: easier at 478p; the
latter's new nil-paid shares lost
7 at 273p. Eisswhere, Cattles
Holdings firmed a penny to 244p
following the half-term figures.

EQUITY GROUPS

A CUR CECTIONS

A subdued market of late, privatised motor manufacturer Jaguar drew fresh support and moved up 8 to 180p.

Building Material issues continued to feature Bine Circle which moved up 13 for a two-day gain of 20 to 403p helped by a broker's circular. On the other hand, Harmac allpped 4 to 460p, after 458p, following comment in a trade magazine suggesting that the possible import of French and Italian bitumen could harm the company's prospects. Elsewhere, Costain firmed 4 to 296p, but Taylor Woodrow eased 5 to 335p and AMEC shed 2 to 228p, but standard still overshedowed by the slightly disappointing interim results. A broker's recommendation sparked support for British Dredging, up 4 at 54p, while better-than-expected half-very profits and a confident A subdued market of late, while better-than-expected half-year profits and a confident statement lifted Ward Holdings Ordinary 7 to 140p and the KI slipped to 608p initially, Deferred 13 to 131p. but renewed U.S. demand boosted the price to 614p before the close of unchanged on balance at 612p. Among other Chemicals, Stewart Plastics shed 7 to 99p on disconneitment with

7 to 99p on disappointment with the annual results, while Scottish Agricultural Industries lost 5 to 313 pfollowing lower interim profits.

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Arofits, the undertone remaine
very sound.

Through the late expansion in
demand, further pressures were
exerted on dealers' book
positions. Fresh bear squeezes
resulted which often exaggerated
the gains in prices. Despits the
docks' confusion, the tone began
to improve in the after-hours'
trade and the FT industrial
Ordinary share index closed 2.7
up at the day's best of \$52.5; at
moon the measure had been a net
five points lower.

Gill-edged investors showed no
uch enthusiasm. In the condabsence of any worthwhile
quotations

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Wednesday's announcement that the record industry has reversed a five-year decline in sales with the value of UK trade record deliveries up 18 per cent in the second quarter of this year. Fine Art Developments gained 4 to 68p, while improvements of 5 bette come in Rody Chan 2055 were seen in Body Shep, 205p, French Connection, 340p, and John Mezzies, 195p. Among Shoe and Leather concerns, Strong and Fisher cheapened 6 to 137p

FINANCIAL TIMES STOCK INDICES

sia 100 Govt. Secs, 15/2/28. Fixed Int. 1928. Industrial 1/7/36. lines 12/9/55, SE Activity 1974.

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HIGHS AND LOWS	S.E. ACTIVITY

	1984		Since Co	ompliat'n		Aug.	Aug.
_	High	Low	High	Low	<u> </u>		
lovt. Seca bad int	19/1)	75,72 (39/7) 80,43	127,4 (3/1/85) 155.4		Daily Gift Edged Bargains Equities Bargains	100.6 89.6	
	(14/8)	(80/7)	(28/11/47)	(\$1/1/78)	Value 5-day Average	412,7	
nd. Ord	(8/5)	(23/7)	(8/5/84)	(28/6/48)	Gift Edged	112,2	119.5
ioid Mines	711.7 (8/8)	488.7 (1/8)	754.7 (15/2/88)	(26/19/71)	Equittes Bargains Value	89,9 398,3	90.9 395.1

to 70p. Lower annual profits left Whitworth Electric 7 lower at picked up 3 at 126p.

58p, while Lec Refrigeration reflecting disappointing interim figures, eased 8 to \$35p. Bowtherpe, in contrast, met with buyers and put on 10 to 318p, while gains of 8 were recorded in Oxford Instruments, 288p, Pressae, 183p, and VG 288p, Pressac, 183p, and VG Instruments, 224p.

Engineers passed a relatively quiet session. Davy Corporation, down to 78p initially, rallied to close only a penny easier on balance at 82p despite Babcock's denial of bid intentions. Revived demand left Matthew Hall 6 dearer at 274p, but the first half return to profitable trading failed to help Thomas Robinson, 2 cheaper at 36p, after 25p.

"New time "demand on hopes of an increased bid from Tate and Lyle lifted Brooke Bond to and Lyle lifted Brooke Bond to 114p before profit-taking brought an unchanged close of 111p. T & L dipped to 375p prior to settling a net 6 off at 380p. Other Foods retained a firm appearance. Tesco put on 3 more to 190p and Kwik Save hardened a couple of pence to 162p. Takeover hopes continued to buoy Siwelo. pp. another 11 at 661p. over hopes continued to buoy Single, up another 1½ at 66½p, while revived demand lifted Bejam 5 to 149p. Elsewhere,

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The App 23

Year ago (approx.)

markets into confusion

<u> </u>	AUG 30	Aug. 29	Aug !	Анд. 24	Aug. 28	Aug. 32	Year age
Government Segs	79,75	79,78	79,66	79,76	79.89	80.17	7 9 .51
Fixed Interest	83,21	85,23	85,21	85,36	85,29	93,45	82,19
Industrial Ord	852.6	849,8	832,4	835,8	835,27	841.6	708,6
Gold Mines	569,4	564,D	561,0	570.9	578.4	570,2	872,5
Ord. Div. Yield	4.83	4.84	4.94	4.90	4,91	4,68	4,73
Earnings, Ytd.2 (fult):	11.52	11.5B	11.57.	11,49	11.56	11,49	9,59
P/E Ratio (net: (*)	10.63	10.60	10.40	10.47	10,40	10,46	12,99
Total bergains (Est.)						17.625	20,546
Equity turnover £m.		204.18					
Equity bargains	_ :	13,820	18,057	12,744	14,242	15,527	17,163
Shares traded (mi)	_ ;	218.6				132.8	

••				OILL NO		•	
-	1984		Since Co	mpilatn		Aug.	Aug.
-	High	Low	High	Low	Daily	29	
. Seca	65.77 19/1)	75.72 (\$9/2)	127,4	22.3775	Gift Edged Bargains Equities	100.6	109,7
d int	87,48 (14/8)	80,43 (80/7)	155.4 (28:11:47)	50.03 (\$1/1/78)	Bargains Value	419,7	84.6 266,1
Ord	922,8 (3/5)	755.3 (23/7)	922,8 (85,64)	49,4 (28/6/48)	5-day Average Glit Edged Bargains	112,2	119.5
Mines	711,7	488.7	754.7	43,5	Equities		

Easier initially, leading Miscellaneous Industrials rallied to laneous Industrials railied to finish the day with small mixed movements on balance. Eisewhere, British Aerospace, awaining the expected bid from GEC advanced to 350p before settling below the best at 343p for a rise of 8 on balance. Bid speculation left Blundell-Permoglaze 14 higher at 188p, after 192p, but Johnson Group Cleaners fell 14 to 351p on lower interim profits. Johnson Grunp Cleaners fell 14

10 351p on lower interim profits.

Sketchley cased 4 to 378p in sympathy. Good half-year figures, but Berkeley Exploration for the former had increased its stake in the company to 18.5 per stake in the company to 18.5 per the former had increased its stake in the company to 18.5 per the former had increased its stake in the company to 18.5 per the former had increased its stake in the company to 18.5 per the former had increased its stake in the company to 18.5 per the former had increased its stake in the company to 18.5 per the former had increased its stake in the company to 18.5 per the former had increased its stake in the company to 18.5 per the former had increased its stake in the company to 18.5 per the former had increased its stake in the company to 18.5 per the former had increased its stake in the company to 18.5 per the former had increased its stake in the company to 18.5 per the former had increased its stake in the company to 18.5 per the former had increased its stake in the former had increas

Fleet Holdings figured prominently among newspapers, rising 6 to 200p, after 201p, in response to the doubled final dividend and better-than expected annual profits. Home Counties were marked up 8 to 128p on news of the agreed bid from the holding company. Among Paper/Printings, DRG stood out with a speculative gain of 8 to 130p; the interim results are scheduled for September 26.

Golds remain subdued

Mining markets again lacked incentive following another unimpressive performance by bullion—the gold price has hovered around the \$330 per once level throughout the current trading Account and collar, eased \$1.5 to close at \$348.5 per ounce.

Firmer at the outset, again reflecting overnight Wall Street, for the control of the college of the colleg

and MEPC armed 4 to \$19p.

\$lough Estates were 2 dearer at

138p and Hammerson "A" 10

higher at 445p. Penchey im
proved 3 to 220p, while Stock

Conversion rose 4 to 367p. Elsewhere, Mountview Estates con
tinued to respond to a newsjetter tinued to respond to a newsletter recommendation and moved up 13 for a three day advance of 46 to a 1984 peak of 318p. Imry hardened 5 to 318p awaiting today's annual results. Mark-heath Securities put on 8 to 118p in a retricted market. Declar in a restricted market. Daejan attracted fresh demand and firmed 5 to 268p, while Stockley and Dares Estates both gained the turn, at 57p and 22p respectively.

ively.

In a quietly dull Shipping sector, Lots fell 14 to 3p; news of the disappointing response to the rights issue came as no surprise and had no further affect on late sentiment. Common Bros shed 7 to 140u, while P & O Deferred at 317p, gave back a penny of the previous day's rise

Rothmans International rose 5 more for a two-day jump of 16 to 162p on revived talk of a bid from either major shareholder Philip Morris of the U.S., or South Africa's Rembrandt. Interest in Imps waned after Wednesday's speculative spurt and the close was unaltered at 161p.

Industrial Finance and Investment Corporation provided an isolated firm feature in Financial Trusts, rising 7 to 107p in reply to the increased final dividend and more-than-doubled annual profits.

Oils gain ground Although concern about crude oil price trends remained a

restraining influence on business, the oil majors traded firmly ness, the oil majors traded firmly throughout the session. British Petroleum were finally 10 higher at 495p, while Shell closed 5 dearer at 650p. LASMO's interim profits were deemed satisfactory and the price truched 310p before settling 3 firmer on balance at 308p; the OPS rose 10 to 480p. Triceutrol were supported and rose 7 to 210p, but both British and Ultramar were unchanged at 240p and 250o both Britoil and Ultramar were unchanged at 240p and 250p respectively. Charterhouse shed 4 to 142p, after 140p, on the slightly disappointing half-year figures, but Berkeley Exploration gained 6 to 143p on news that the former had increased its stake in the company to 18.5 per cent. Renewed speculative demand lifted Petranel 17 to 480p. Irish stocks attracted

Glanfield Lawrence featured the Motor sector, rising 5 to 49p in response to bumper interim profits. Automotive Products that company to just over 13 per hardened 2 to 63p ahead of Monday's half-yearly figures, while similar improvements were seen in Dunlop, 42p, and Lucas, 183p.

Steet Holdings figured promise.

speculative gain of 8 to 1300; the interim results are scheduled for September 26.

A favourable Press response to Slough Estates' interim results encouraged fresh demand for other leading Properties which

Vol. | Last | Vol. | Last | Stock

55 | \$547,80

B A F.115,80 5 - (F.192,80

F.93.70

4 111.50 | 7.93.71 | 6.90 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.95 | 7.

6 15.50 F.176.50

F.125 F.222.60 Fr. 7400

F.50,29

2 10,80

1 | 12 66 | 4.90 298 | 2.90 52 | 1.60 3 | 18.50 18 | 12.30 | 11 7.90 20 | 5 | F

EUROPEAN OPTIONS EXCHANGE

2 | 9,60 A

61 11 424 | 5.70 | 227 | 1.60 | 2 165 | 1.20 A |

Oct.

F.160 180 5.80 F.160 78 6.50 B F.140 254 4.60 F.160 113 2 F.60 1 3 2 F.180 84 6 F.120 28 3.50 F.130 44 3.50 F.130 45 5.70 F.120 28 5.70

TOTAL VOLUME IN CONTRACTS: 15,787

Oct. Jan.

F.500 2 3,50 32 7

F.120 136 2,50 68 5,50A

F.110 33 2,50 2 4

F.210 24 2 - - -
F.370 3 0,90 - - -
F.80 171 14.50 54 16.40

F.90 677 8.50 77 9.20

F.100 229 2.10 118 4.80

F.110 291 0.60 -
F.90 345 2.20 190 4.50

F.86 5 1.60 110 3.20

10,20 2 0,60 1 0,30 9,20 15,10 6,70 2 1,30 3,50 8

A=Ask B=Bid C=Call

__ 0,55

ioniem, 1; dearer at 1894, while rises of around a half-point were noted in Southvan, 1391, Vaal Reefs, 1811, and President Steyn. 1351. A relative backwater recently, marginals attracted a took the previous day's good gains a stage further. Land Securities rose 6 more to 293p and MEPC firmed 4 to 319p. slightly improved business, par-ticularly those in the Gencor group due to announce final divi-dends next Thursday; Leslie. 200p. and Bracken, 185p, rose 10 and 8 respectively, while United advanced 29 to 867p. The FT

Among South African Finan-cials, De Beers met with sporadic New York support and hardened a couple of pence to 442p thereby continuing the steady recovery from the setback caused by the merely maintained interim dividend. Still benefiting from the impressive preliminary figures. "Johnnies" rose 21 to 276.

dollar, and closing gains were restricted to around a point. Heavyweights featured Rand-fontein, 1; dearer at £89}, while

London Financials also made London Financials also made modest progress. especially RTZ which advanced 10 at 572p, a rise that dealers attributed to the recent strength of the copper price. Gold Fields dipped to 507p earlier, but reverted to close unchanged at 512p; the preliminary results are scheduled for September 18.

Further consideration of the disappointing full-year figures from Peko-Wallsend and MIMS deterred demand for Austra-lians. The former finished 4 off at 318p, while the latter eased a couple of pence to 193n. Western Mining, 221p. and CRA, 340p. both due to reveal trading state-ments shortly also lacked sup-

Elsewhere, Canada's Cobra Emerald sourted 17 to 65p following boardroom changes and capital injections.

and capital injections.

Demand for Traded Options held up well in the wake of the expiry of the August series on Wednesday. Total contracts struck amounted to 3,281 with the FTSE 100 accounting for 487 calls and 511 puts. Jaguar attracted fresh support attracting 370 calls, 193 in the December 180's, 4 up at 14p. Today sees the introduction of option trading in BAT Industries.

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (58) AMERICANS (5)
ratories Lockbeed
SCA Services STORES (1) ELECTRICALS (4)

(NOUSTRIALS (A) Les Les Pentland Inds
Pentland Inds
Phillips Patents
Ramco Oil
ANCE (5)
Stoel Burrill Jones
Willis Faber

MEWSPAPERS (1)

Dawson Int'i TOBACCOS (1)
Rothmans Int'i College (7) Alliance Trust London F. & C. Pacific OKS (1) Sceptre Resources
OVERSEAS TRADERS (1)
Steel Bros
PLANTATIONS (1)
Apple-Infonesian Augro-Infonesian
MINES (3)
East Rand Cons McFinley Red Lave
Keywost Invs

NEW LOWS (13) Wigfall (H.) STORES (1)
Dale Electric ELECTRICALS (2)
Dale Electric Real Time Control Memory Computer FOODS (2)
Bettsons Eriegs Storisolates
INDUSTRIALS (3)
Hanover Internation Group

EQUITIES

Isoue price	Amount	125	19 High		Stock	Closing	+ or	Net.	Times	Gross Yeard	P.F.
195 110 576 6621 7120 58 6 11 11 11 160 161 165 161 165 165 165 165 165 165 165	FFFFFFFFFFFFFFFFFFFFFFFFFFFFFFFFFFFFFF	31/8 51/8 7/9 15/8 23/9 31/8 31/8 24/9 28/9	110 88 89 86 126 108 50 101 111 111 110 220 414 481 481 490 132	1103 82 81 65 123 48 103 104 85 1185 127 27 247 278	**Alphameric Sp	85 80 135 96 48 105 111 31 215 135 130 27 290 128		591,50 091,50 01.00 07.75 07.75 07.75	5.80 5.00 8.11 5.09 8.71 5.09 8.71 8.55	7203857.04	7.0 16.3 16.2 16.2 11.2 16.5 16.6 16.6

RECENT ISSUES MERCHANISM

FIXED INTEREST STOCKS

2								
	issue price £	Amount paid up	Renuna, dato		84 Low	Stock	Cleang Frice &	+0
	1100 99,161 198,161 100 1	£30 £25 F.P. £10	26 10 17/1 22/11 5/9 10/8	30 /- 28 /- 100 /- 100 13 /- 96	101: 29:4 22: 99:6 100: 10:5 05:	Nationwide 124" 5/8 65.	171; 29; 08; 100; 100 13; 96 30ppn	+11

"RIGHTS" OFFERS

	lasuo	ᅙᅙ	Latest Renunc.	198	34	Stock	10 m	+ 0
	price	¥6	date =	High	Low	<u> </u>	Glusia	. —
	85		21 9 21 9 21 9 28 9 26 9 14 9 7/11 28 9 7/11 29 9 10 8 12 110	25pm 295pm	45pm 11 88 237 30pm 4 257pm 15pm 122pm 379	**Applied Botanics Units ANZ A 51 Busmel Brea Falcon Res. 20p. Hill SamuelInd. Scotland Energy £1 LOFS Prid. Ord. Ip **MatWest Bank £1 Nerton Opax 10p Santos A0.2ba Thorn £M! Unitech 10p Waddington £1	90 505 50pm 3 273pm 280m 290pm	-1 -1 -1
•			•		1	1		

Renunciation data usually leat day for dealing free of stamp duty. A Figures based on prospectus estimates. If Dividend rate paid or payable on part of capital; cover based on dividend on full capital. If Assumed dividend and yield. If Forecast dividend cover based on prospectus or other official estimates for 1984. If Dividend and yield based on prospectus or other official estimates for 1984. If Dividend and yield based on prospectus or other official estimates for 1983-84. O Grees. To Pence unless extentives indicated. I leaved by tander. If Dividend and yield based on prospectus or other official estimates for 1983-84. O Grees. To Pence unless extentives indicated. I leaved by tander. If Dividend holders of ordinary shares as a "righte." "Issued by way of capitalization. SS Reintroduced. If laued in connection with reorganisation morper or takeover. If Allotment lotters (or fully-peld). If Introduction. If United Securities Market. S Piacing price. I Units comprising 6 Ord. If non 12 per cent Crev.Ung.lin. 95/2000.

ACTIVE STOCKS

Johnson Cleaners
Ladbroke
LASMO
Pentland Industries ...
Shell Transport

WEDNESDAY'S

ACTIVE STOCKS Based on bargains recorded in Stock Exchange Official List.

		No. of	
	Stock	changes	
- 1	BTR		502
	Imperial Group	14	161
i	Blue Circle	13	390
	Birmid Ousicast	12	81
	Brit. Aerospace	12	335
- 1	Glaxo		953
	NetWest Bankt		260pm
ı	Pilkington Bros.	12	275
-	Reed Intal		460
	Rothman's Intl.	12	157
	Tate & Lyle	12	396
	Beecham		345
1	Cable Wireless	11	320
	ICI	17	612
		N.L. n. 14	

OPTIONS

ings ings tion ment Aug 20 Aug 31 Nov 22 Dec 3 Sept 10 Sept 21 Dec 6 Dec 17 Sept 24 Oct 5 Dec 20 Dec 33 For rate indications see end of Share Information Service.

Money was given for the cali
of K. O. Boardman International. Bryson, Bula, Occomics, STC, Ramar Textiles, C. H. Bailey, Atlantic Resources, Clyde Petro-leum, Automotive Products, Berkeley and Hay Hill, Burmah Oil and Eglinton Oil and Gas. A put was done in Ashton Mining, while doubles were taken out in

RISES AND FALLS **YESTERDAY**

Howard Machinery, Bula and English China Clays.

Foreign Bonds 12 4 6 Industrials 273 230 97 Fin. and Props 128 52 33 Olis 21 15 3 Plantations 7 1 1 Minea 48 20 11	British Funds	Rises	Falls	\$am
	Corpns. Dom. and	17	26	61
	Foreign Bonds Industrials Fin. and Props. Oils Plantations Mines Others	279 129 21 7 48 43	220 52 15 7 20 67	63 918 345 87 10 112 128 1,724

LONDON TRADED OPTIONS

1	CALLS PUTS		j			CAL	CALLS		PUT	5					
Option	n	Oct.	Jan.	Apr.	Oct.	Jan.	Apr.	Optio	h	Nov.	Feb.	May	Nov.	Feb.	May
B.P. (*498)	390 420 460 500	110 80 43 15	115 85 62 30	120 90 60 37	2 4 12 37	6 9 17 43	6 14 27 45	LASMO (*308)	260 280 300 350	58 45 30 17	78 55 40 25	48 50	5 10 16 33	10 14 26 45	28 45
Cons Gold (*514)	550 500 550	55 55 35 15	67 43 27	84 56 35	6 25 57	75 15 30 63	20 38 67	Lonrho (*150)	120 130 140 160	35 24 17 6	35 28 29 81 ₂	21 101	11g 2 6 15	2 4 8 16	_
	600 650	5	16	=	158	105 158	=	P. & O. ("318)	260 260 300 350	66 46 27 13	62 34 18	40 25	2 3 8 30	6 11 25	14 28
Courtaulds (*120)	110 120 130 140 160	15 9 31 ₂ 11 ₄ 05 ₄	18 12 7 4 8	21 14 9	31 ₆ 6 12 21 41	5 8 13 21 41	10 14 —	Racal (*238)	200 220 240 260	44 28 15 6	50 34 22 9	40 28	3 6 14 26	3 9 17 30	12 22
Com. Union (*185)	180 200 220	29 16 8 . 31 ₂	21 14 8	27 19 13	3 8 20 39	13 25 42	14 27 45	R.T.Z. (*872)	500 550 600 650	82 43 24 10	92 60 38 20	70 45	19 17 92	32 57 102	37 65
G.E.C. (*814)	240 160 180	68 38	60 42	64 46	58 2 2	- }	1 4	Vaal Reefs (*\$107)	90 100 110 120	21 141 ₉ 71 ₅ 41 ₅		181 ₀ 15	212 5 81 ₂ 16	71g 114 18	81 <u>2</u>
	200 280	먵	26 12	32 18	13	19	12 22				CALLS			PUTS	
Grand Met.	275 2	80 — 88 1 00 10 18 2 30 31 ₂ 9 1 60 11 ₂ 3	= 1	1 ==	j 5	1	1		Dec.	Mar.	Sep.	Dec.	Mar.		
(*294)	300 350 360		54 22 14	20 44 78	10 22 46 74	14 26 50	Beecham (*345)	350 350 360	50 22 4	60 52 17	65 38 25	2 7 22	17 30	20 57	
I.C.I. (*612)	500 550 600	118 70 26	122 74 40	128 80 48	8 6 14	9 20	6 14 30	Bass (*380) De Beers	330 360 590	67 28 6	65 38 17	73 48 25	6 20	12 27	18 32 22
Land Sec. (*293)	240 260	58 38	18	26 49	1 46	54 5	64 8	(*\$5,83)	550 600 660 700	40 17 8	60 49 23 10	85 54 32	14 40 80 130	30 60 95 140	45 75 110
	380 300	80 7	26 15	34 18	6 14	10 20	14 25	Guest Keen (*174)	140 160 180 200	37 18 51 ₉	38 91 10	44 25 14	2 3 11	3 7 14	5 10 17
Marks & Sp. (*113)	100 110 120 150	17 9 4 212	21 13 6 4	26 161 ₂ 9	5 10 19	4 7 13 22	5 9 16	Hanson	200 220	45	- E	=	27 47	81 61	<u>-</u>
Shoil Trans.	140	11 <u>0</u> 155	160	165	1 28 1 5	1 -	7	(*252)	200 320 240	33 16 4	38 20 7	42 25 12	4 6 15	6 10 20	15 24
(*648)	650 650 700	105 58 19 6	110 65 27	115 73 84	5 11 25 60	8 15 30 66	12 23 40	Jaguar (*180)	160 160 300	25 6 1	29 14 6	36 18 10	8 85	11 27	14 29
i		c	ALLS	<u> </u>		UTS		Tesco (*190)	160 180 200	32 13 3	35 16 6	38 19 -	1 1 2 1 4 1 4 1 4 1 4 1 4 1 1 1 1 1 1 1	7 18	10
Option		Nov.	Feb.	May	Nov.	Feb.	May	FT-SE Index (*1101)	975 1000	100	103	108	3	10	17 25
Barclays (*469)	420 460 600 550	57 25 11 4	70 37 18	80 50 27	6 19 45 92	9 20 47 —	12 32 52	·	1025 1050 1075 1100 1125 1150	75 52 32 18 9	85 68 50 33 20 10	90 83 63 45	5 11 15 28 43 62	16 25 35 45 62 77	28 40 52 65
Imperial Gp. (*161)	150 140 160	54 8 4	26 19 5	28 15 7	31 ₂ 8 25	6 12 26	8 14 28	Aug. 30. Tot			3,281. g secui			Puts	1,124

FT-ACTUARIES SHARE INDICES

These indices are the joint compliation of the Financial Times. the Institute of Actuaries and the Faculty of Actuaries

	& SUB-S	ecti(DKS	- 1						29	28	24	23	(Rightor)
Fi	gares la parentie stocks pe	r section		. No.	Chang	Est Earni Yield e (Man	\$ %	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio Oles)	ficies No.	index No.	ladex No.	ladez No.	ladex No.
1	CAPITAL GOOD							3.82 5.17	12.65	510.50	501.29	503.24		
2	Building Materia Contraction, Con							277	8.96 8.83	448.25 444.55	45A.97	456.24		
3	Electricals (IA)					ا ا		4.67	12.35		1565.94		1582.62	
5	Electronics (32)			1833.		8.6	10	2.24	15.84	1821.61	1786.64	1798.27	1775.66	6.6
6	Mechanical Engli			254.				4.83	29.76	252.06	246.93			
8	Metals and Metal	i Fernity	[97	138.: 123.:				6.95 5.43	18.07	187.45 121.53	134.92 119.74	185.96 119.81		
3 0	Motors (27) Other ladistrial I	مدسور برور. ملول نوم الا	07\	697.1				151	14.65	708.81	681.47	680.53		
21	CONSUMER &			518.				434	1137	525,73	510.57	513.96		
22	Brewers and Dist	itlers (23)	505.9		12.9		5.00	9.48	505.72	583.26	505.69		
25	Food Manufactur			394.9				555.	845	394.57	391.66			
26 27	Food Retailing Cl. Health and House			1221.5 886.5				2.71 2.73	17.44 21.28	1216.99 883.15	1189.16 872.45	3355.16 880.23	1192.99 875.85	
29	Leisure (23)	HUU PIU	AD-45 (7)-	573.9				532	13.72	577.58	573.51	573.31	572.14	
32	Newspapers, Pub	listica (1	3)					4.22	15.23	1283.64	1278.96		1282.93	
32 33	Packaging and Pa	iper (15).		245.6			- 1	563	8.85	243.88	243.60	243.29	243.55	157.79
34	Stores (46) Textiles (19)			4464				4.01	13.79	439,77	436.32	443.71	433.85	
35	Telesias (19)			_ 272.7 - 648.6				4.91	8.58 6.84	271.91 684.70	264.72 677.62	267.94 680.92		211.65 405.29
36 39	Other Consumer ((8)		464				4.66		467.54	463.57	465.13	464.71	423.19
- 0	STREET STREET	5 (36)		463.5	6 +0.3	18.5	4	4.63	11.85	462.20	67.94	458.38	456.86	387.17
42 44	Chemicals (1,7) Office Equipment			_ 6124				5.14	8.86	612.13	606.54	630'69	605.44	535.62
45	Office Equipment	(4)	<u></u>	139.9 860.9				5.49 7.86	13.87 15.19	139.69 862.92	138.07 851.64	138.87 858.49	137.98 858.57	111.34 714.10
46	Shipping and Trac Miscellaneous (5)	73		6472				3.61	14.61	6G.57	636.01	636.90	635.A3	525.28
7	HIBUSTRIAL C	toest (4	3)	. 513.4				4.22	11.83	511.59	505.66		505.19	439.34
51	Olis (17)			1094				634	9.10	1081_13		1862.82		1031.50
59	SHO SHARE HID	EX (500)						457	11.27	559.31	553.08	555.89	553.06	489,09
61	FINAHCIAL CR	W (11	ñ	390.9			╅	5.71	_	389.87	384.54	387.34	384.43	338.92
62	Basics (6) Discount Houses (_	363.9			2 j	8.54	5.28	365.83	361.35	363.68	361.26	349.75
63	Discount Houses	(6)		_ 4275			- 1	7.16		426.74	425.91	427.30	428.19	257.44
65 66	htstragcé (Life) (lastrance (Compo	19)		551.1 283.6			-	4.86	_	554.31 281.15	549.36 279.95	549.77	534.16 288.67	477.70 223.15
67	Interrupe (Compi	6) (A)		858.4			s١	3.94	16.19	856.30	249.97	847.91	848.35	22313
68	Merchant Banks (Property (53)	12)		2104		1 -	` {	4.87	_	209.13	208.12	206.74	202.12	207.61
69	Property (53)			_ 599.7				358	24.97	592.55	585.42	587.78	587.79	450.19
70	Other Finance (19			247,1 518,0		116	9	5.62 3.65	10.49	247.01	246.77	246.06	245.32	239.90 443.82
곮	lovestment Trusts Mining Finance (4			278.6				538	12.72	514.80 275.73	513.58 276.95	513.39 271.79	509.95 272.21	4G.62 323.87
91	Overseas Traders					18.2		6.85	12.87	545.52		562.90		489.60
99	ALL-SHARE IN			538.8	2 +0.5	T	\Box	4.75		516.13	510.97	513.11	510.12	451.35
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TFIEL yield. Highs and lows record, base dates, values and constituent changes are published in Saturday Issues. A list of constituents is building from the Publishers, the Financial Times, Brackes House, Cannon Street, London, EC4P 4BY, price 150, by post 280.

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FOREIGN BONDS & RAILS

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FT LONDON SHARE INFORMATION SERVICE

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BANKS, HP & LEASING

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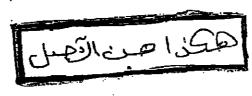
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Financial Times Friday August 31 1984 INDUSTRIALS—Continued LEISURE—Continued PROPERTY—Continued | INVESTMENT TRUSTS---Cont. | OIL AND GAS—Continued | 1984 | Stack | Price | Red | Cyr | Seal | Price | Stack | Stack | Price | Red | Cyr | Seal | Price | Red | Cyr | Seal | Red | Stack | Stack | Seal | Red | Stack | Seal | Red | Stack | Seal | Red | Stack | Red | Table | Secit | Price | Secit | Secit | Price | Secit | Seci MINES—Continued AUSTral

AUS MOTORS, AIRCRAFT TRADES Motors and Cycles | 310 | 210 | Ayer Hitam SM1 ... | 187 | 138 | George | George | 187 | 175 | Googge Berhaf M50.50 | 110 | 575 | Hongstom | 5.0 | 5.0 | 110 | 575 | Hongstom | 5.0 | 5.0 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 Miscellaneous Uniters otherwise indicated, prices and net dividends are in peace and commitmations are 25p. Estimated price-carnings ratios and covers are based on literal amount reports and accusants and where possible, are unstated on half-yearly figures. PFEs are calculated on "word destroamen habits, ensuring for theme pleany Computed on price dieth Color cont or recen difference if calculated on "mul" destributions. Govern are based on "mulminum" distributions, the compares grees desired codes to price are provided and the price are provided and register.

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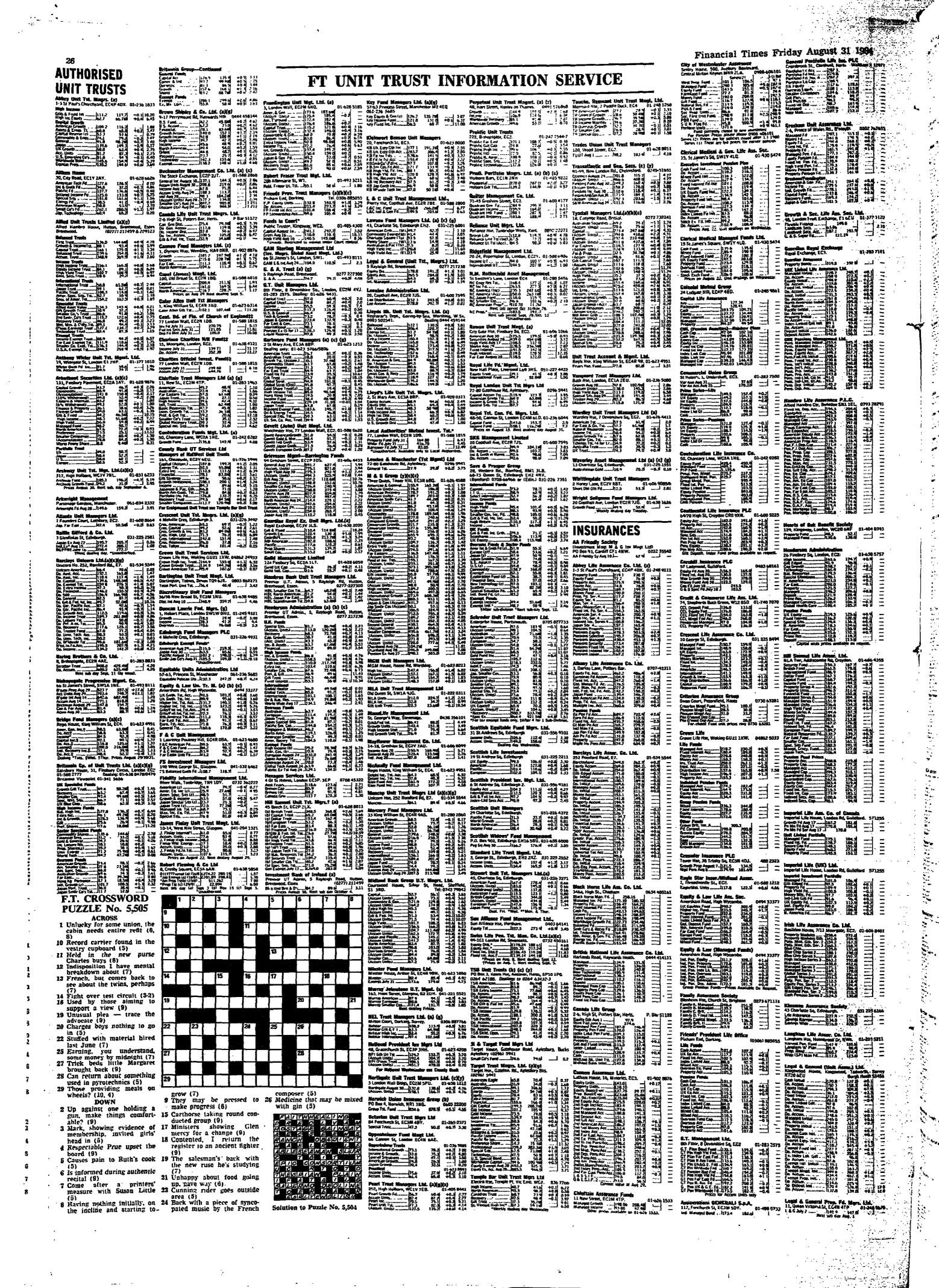
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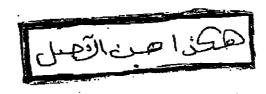
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Financial Times Friday August 31 1984 INSURANCE, OVERSEAS & MONEY FUNDS Schroder Life Assurance Ltd. Marray, Johnstone (Ins. Advisor) 163, Hope St, Glasgow, C2. 041 | Nat. Westminster Jersey Fd. https://opena.com/second-sec Cititianik (Ci) Lid "Cititizado"
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Aluminium price at 17-month low

BY JOHN EDWARDS, COMMODITIES EDITOR

ALUMINIUM prices fell back on the London Metal Exchange yesterday to eht lowest level since March last year. The three months quotation closed £2.50 down at £867.75 a tonne, but fell to £8% in after hours dealings. The cash price closed £2 lower at £845.

spite of news of further pro- polline. duction cuts in North America. Reynolds Metals, a leading U.S. producer, said it would tem-porarily halt two potlines, which have the capacity to produce 25,000 tonnes each year. its Jones mills plant in at its J. Arkansas.

Earlier Kaiser Aluminium announced that it will shut tw; potlines at its reduction plant in Mead, Washington. This will reduce the operating rate at the plant to 50 per cent (or nearly 100,000 short tonnes) of its total capacity of 200,000 tonnes.

Kaiser's worldwide operating rate will be reduced to only about 46 per cent of its annual capacity of 1,050,000 tonnes.

followed a continued deterioration in primary aluminium prices and unstable market conditions. It added that the supply-demand imbalance had worsened. In June Kaiser ealings. The cash price closed reduced power consumption 2 lower at £845.

The decline in prices came in thoughout its primary production system and shut down one The market remains un-

impressed by the production cuts, even though the rise in stocks this year has shown signs of slowing. Demand is very sluggish at present and specu-lative buying interest is mainly concentrated in copper.

After the spectacular surge last year, aluminium prices have fallen steadily this year fro mthe peak of over £1,100 reached in January. Bearing in mind the decline in the value of sterling against the dollar this year the fall in returns for producers, who base their selling prices on dollar rates, is

Hopes high for UK wool

heading for another strong per-formance in 1984-85 following per kg more for fleece wools the record clip in the year to this year after four years of the record clip in the year to this year after rour years the record clip in the year to this year after rour years last April, the British Wool stagmant incomes.

By the end of April, sales of By the end of April, sales of the property o

In its annual report, the In its annual report, the board said that after four diffi-cult years, 1983-84 was one of its best for a long time. The clip totalled 40.3m kg, a 6.2 per cent increase over the previous year, and 1.7m above the previous record in 1980.

'While unforeseen circumstances can upset any com-modity market, all the signs are that the wool market will income remain strong in the year subsidia

PRICE CHANGES .

Aug. 30 + or Month

the 1983 clip had reached 34.2m kg at an average price of 118.4p per kg. an increase of nearly 20 per cent in money terms over

the previous marketing year. The board restated its commitment yesterday to retaining adequate processing facilities for British wool, saying that merchanting and processing

PRODUCTS—North West Europe (# per tonno

of \$348.60 per ounce, against

\$349.20. In Zurich gold finished at

GAS OIL FUTURES

Supplies concern continues to boost cocoa

CONTINUING concern about the availability of supplies available for nearby delivery helped push cocoa prices up further on the Lonodn futures market yesterday.

The prompt September position registered a £40 a tonne permissible limit rise in the morning before ending £47 up on the day at £2,054.50 a tonne. The December position finished at £1,859 a tonne, up £25.50.

Traders said the market was stili nervous following recent Nigerian shipment defaults. They also noted that the latest West African bean countst though normal for the time of year, were less than previously reported.

• RESULTS of the fourth British sugar beet test showed sugar per root averaged 98 grammes, compared with 78 at the same time last year and an average 80 grammes; over the five year period 1979-83, British

Average root weight rose to Average root weight ruse to 636 grammes from 510 and 538 while average sugar content in-creased to 15.42 per cent from 15.34 and 14.80 per cent.

 INDIAN and Sri Lankan tea output in the first seven months of 1984 is estimated above 1983 levels due to more favourable growing conditions, London trader Wilson Smithett and Co

It put North Indian production for January/July at 212,900 tonnes against 193,300 in the same 1983 period, while South Indian pickings were put at 89,000 tonnes against 60,900. Sri Lankan production was estimated at 128,600 tonnes com-

• THE PHILIPPINE Coconut Authority hopes to submit a recommendation to the Cabinet by the end of next month to revive a coconut replanting pro-

John Cherrington comments on the results of the June farm census British farmers go for gold in the wheat fields

THE RESULTS of the UK June farm census demonstrate that, like Pavlov's dogs, farmers respond positively to stimuli— in this case the possibility of profit. The stimulus is provided by the EEC Common Agricultural Policy's price schedule which encourages them to alter their farming patterns and over-

bandry to get their results. Take wheat for instance. Until 20 years ago farmers were conditioned to believe that growing wheat more than once

ride previous rules of hus-

1860s only 26 per cent of the able new varieties which were exceeded, cereal acreage was in wheat to some extent disease resistant compared with 59 per cent in oats. Vields were modest too, as the liser input. Yields and plantings table shows, with wheat little of wheat and barley had increased at the expressed more productive than barley, creased at the expense of oats and oats some way behind. which, lacking a price guarantee

At that time, farmers were in the EEC system, looked like suffering from the restrictions of the national production quotas which limited governaries aprice guarantee in the EEC system, looked like becoming the poor relation.

By this June the total cereal area had risen to its highest

UK CEREALS PLANTINGS (000 hectares with proportion of total area planted in brackets) 1964/65 1984 1,233 (32%) 1,965 (48%) Yield (tonnes/ha) 2,043 (59%) 1,967 (48%) 2,214 (59%) Yield (tonnes/ha) 107 (2%) 4.38* 463 (13%) 2.86 253 (6%) Yield (tonnesh/a) * 1983 yields.

Source UK Agricultural Reviews 1964/84

every four years would bring ment price support for all farm level ever. The proportion of retribution in the shape of crops.

Wheat is now equal to barley

disease and pests which could decimate yields.

This was perfectly true. I myself suffered from early attempts at cross cropping as there had been a breakthrough at the 1984 yields, but even at the 1985 only 26 per cent of the light and the light and the light at t

The other main change in the

leys. As the premiums offered for these seldom make up for the reduced yields as compared with feed grains, most farmers plump for quantity, and will continue to do so.

The implications of this for future cereal policy are impor-tant. The Minister of Agricul-

ture and the National Farmers Union have gone on record as saying that the way to reduce cereal output is by price restraint. However, farmers, supported by plant breeders and scientists, will do their best to keep ahead of falling prices by increasing yields - and they could well succeed.

According to the census the dairy herd fell by 2 per cent which could show that farmers were not panicking to get rid of their cows in spite of facing a 9 per cent cut in their milk production following the imposition of FFC queres in April The other main change in the cereal area is that the proportion of autumn sown barley (winter barley) is increasing at the expense of spring sown. In England it is now 63 per cent taking the view that it is probof the total. This is mainly a feed barley crop as is the bulk of the wheat crop.

Feed grains generally yield production following the imposition of collowing the imposition following the imposition of click in proportion of EEC quotas in April.

Cutput of milk has fallen mainly because of drought and reduced taking the view that it is probof the wheat crop.

Feed grains generally yield

better than the higher quality economic, rather than feed expensive compounds heavily to milling wheats and malting barfewer cows.

The pig herd has not yet reversed the falling trend of the last year but this has slowed down. It does seem that farmers are being cautious about expansion in pig numbers, which in view of the slump on this side of the industry in the previous 13 months is understandable, even welcome news. Pigs have no worthwhile support under the CAP, and the best way for pig farmers to survive is, collec-tively, to keep supplies well in line with or even below demand. The national sheep flock continued to increase by about 2.3 per cent in the year to June, but this would seem to indicate some caution on the part of

those involved. The present CAP sheepmeat regime is very favourable to British farmers as compared with say the French, a situation which could well be reversed before long. The fact that the prices of breeding sheep have not risen this year would seem to bear out this assessment. Or perhaps farmers can see no better use of available land than growing wheat.

BRITAIN'S wool industry is ahead," said the report. British

pared with 98,480. operations are making a "significant contribution" to the income of its commercial subsidiaries.

Drought warning fails to lift U.S. soyabean prices

BY NANCY DUNNE IN WASHINGTON

HOT, dry weather in several mid-western states, while less severe than last year's drought. is cutting into maize yields and may seriously deplete soyabean production, according to Dr Norton Strommen, Meterologist at the U.S. Department of Agriculture.

Dr Strommen estimates that 35-40 per cent of the soyabean crop has already been damaged and unless rains come soon. even more of the harvest will

Chicago futures treaders, however, do not seem to share his concern.

flecting selling by chartists and forecasts of cooler temperatures in northern belt areas. With world oilseed crops plentiful some traders were even predicting soyabean prices as low as \$5.50 (£4.20) a busheL

"This is no drought," said Mr Dan Markey of Conti Com-modities, "there will still be a decent soyabean crop."

In its August production report, the USDA estimated final maize production at 7.7m

Soyabean and maize prices 2.035m bushels. Analysts are moved lower on Wednesday reout in the field sampling for the September 12 report, Dr In Canada, where drought conditions have prevailed for Strommen said. Until they return, he is reluctant to guess the full extent of the damage.

> The weather is affecting a smaller area than last year, he said, and there is an "excellent" harvest developing in the south-

Mr David Street, a meteorologist at E. F. Hutton, said there is some concern about the U.S. winter wheat crop as a result of declining soil moisture. Three inches of rain are badly bushels and soyabeans at

needed in the Plains states by

weeks, the harvest has been advancing well. Industry sources say that yields in western areas are higher than expected in spite of the hot dry weather in July and August.

The USDA has predicted a drop in Canadian wheat produc-tion to 20.2m bushels. However, it is forecasting exports at 18.7m tonnes in 1984-85, down only 8

Thai tapioca rise expected

BANGKOK-Thailand is pected to produce 7.5 to 8m tonnes of tapioca pellets and tapioca chips in the 1984-85 season (July-June), compared with 6,79m the previous year, the Thai Tapioca Trade Asso-ciation said.

Mr Sukit Wanglee, the association's president, said that a survey of 33 tapioca-growing provinces in central and eastern Thailand this month showed that Thailand would produce 21.9m tonnes in the season, up per cent from last year due to from 19.9m a year earlier. an 11.2m tonne carryover.

BRITISH COMMODITY PRICES =

BASE METALS

3134.00 -3,25 \$337.00 -3,25 \$337.00 -2355.505 -4,30 561,75p -5,15 577,75p Other Oommodities
Cocoa shig't"...E1959.0 + 25.5£1945
Futures Dec.£1869.0 + 25.6£1643
Coffee Ft. Nov.£2453.5 - 3.0£2275
Cotton Aindex. 74.500
Gas Oil Sept...\$235.76
Rubber (kild)....53.00 - 1.56.67p
Sugar (raw)....\$121.00 - 25.5£88
Woott'ps 646...|466p kilo........|468pkik moditie

 Unquoted. w Oct. z Sept. v-Sept. Oct. u Aug-Sept. y Oct-Nov. † Per 75 lb flask. * Ghana cocce. n Nominel. c Cents per pound.

LONDON OIL

GOLD MARKETS

\$3481 on the London bullion market yesterday. The metal opened at \$349.3491, the highest

vel of the day, and was fixed \$3481 in the morning and

\$ U.S. SPOT PRICES per tenne 231,80 235,75 235,75 235,75 241,50 241,50 241,50 245,25 Latest + or -Turnover: 1,496 (1,153) lots of 100

Gol fell \$11 to close at \$3481 ... bar was fixed at the equivalent

BASE-METAL prices were quietly irregular on the London Metal Exchange. Good trading volume developed in Tin which attracted physical support and chart buying to close at 09,255. Lead dipped to £347 in the morning but was ateady at this level and with the sid of trade support settled at £351.5. Aluminishm dritted throughout the session and despite a lively two-way trade on the late kerb fell through the recent support level and finished at £862.5 looking to go easier today. Nickel attracted buying, reportedly from a single source, and firmed to £3,675. Copper eased to £1.059.5, while Zine was unchanged at £624.

COPPER

Amsigameted Metal Trading reported that in the morning Three months Higher Grade traded at £1058, 57, 58, 58.5, 59.5, 59.5, 59.5, 59.5, 59.5, 59.5, 59.5, 59.6, 60. Afternoon: Higher Grade: Three months £1058.5, 60. Afternoon: Higher Grade: Three months £1058.5, 59. £1050.5, 51, 51.5, 58.5, 59. £1050.5, 59. 58, 58.5, 59. Tumover: 24,025 tannes. U.S. Praducers: 64.06-68.00 cents per pound.

TIN	a.m. Official		p.m. Unofficia	u; +
High Grde Cash 3 months Settlem't.	9325-6 9255-60 9328	£ +61,5 +83,5 +58	£ 9520-5 9260-7	4 + 2 0, +2
Standard. Cash 3 months. Settlem't	9325-8 9240-1 9326	+68	9320-8 9245-5	+2 0;+2
Straits E Tin—Months	529,15 pring: 19235, 40,	Stan	dard: £9325.	Three
	9240, 41. 9260. Ke	Hìgh b: S	Grade:	Thre

\$3471-3471 compared with \$3491-

at \$348\} in the morning and \$347\; in the afternoon. It touched a low of \$346\;-347\;.

In Paris the 12\;\text{-kilo} bar was fixed at FFr 99,350 per kilo (\$349.14 per ounce) in the afternoon, compared with FFr 99,350 (\$348.91) in the morning, and FFr 99,400 (\$349.53) Wednesday afternoon. LONDON FUTURES In Frankfurt the 121-kilo bar was fixed at DM 32,460 per kilo Ξ (\$349.80 per ounce) against DM 32.290 (\$348.75), and closed \$3474-3471 compared with Turnover: 126 (65) lots of 100 troy

In Luxembourg the 121-kilo-sounces. 834914.35014 (£26614.26614) 8349.34914 (£266.26614) 8348.80 (£266.097) 8350.50 (£266.580)

EUROPEAN MARKETS

ROTTERDAM, August 30.

Wheat—(U.S. S. per tonne). U.S.
Two Soft Red Winter Sept 152.50, Oct 154, Nov 195.75, Dec 198.50, U.S. Two Northern Spring 14 per cent protein Aug 181, Sept 172, Oct 171, Nov 173.50, Dec 177. U.S. Northern Spring 15 per cent protein Oct 190, Nov 193. U.S. Three Hard Amber Durum Aug 193, Sept 193, Oct 194, Nov 196.50, mid-Nov/mid-Dec 200, Canadian One Western Amber Durum Oct 208, Nov 196. Nov 196. S. S. Per tonne). Three Yellow Aug 156, Sept 148, Oct 136, Nov 135, Dec 136, Jan/March 139, sellers. Argentine Plate offoot 165, Sept 20, Oct 20 166, Apply/June 153, sellers.

Soyabeans—(U.S. \$ per tonno), U.S. Sept 263.25, Oct 254, Nov 253.50, Dec 256, Jan 280.40, Feb 264.20, March 267.25, April 270, sellers. 287.25, April 270, sellers.

Soyèmeal—(U.S. \$ per tonne). 44
per cent Sept 189, Oct 173, Oct/Dec
175, Nov/March 177, sellers. Pellets
Brazil afloat 187, Sept 171, Oct 177,
Oct/Dec 184, Oct/March 188, Jan/
March 207, sellers. Brazil afloat 199.50,
sellers. Pellets Argentine afloat 199.50,
Aug 160, Sept 163, Oct 168, Oct/Dec
174.50, Nov/Merch 190, sellers.

PARIS, Aug 30.

Sugar—(FFr per tonne). Oct 1395/
1405: Dec 1406-1415: Mar 1472-1480:
May 1502-1515; Aug 1555-1580; Oct
1810-1540.

COPPER Official - Unofficial -1 High Grde £ £ £ Dath odes Cash 1054-5 +4 1057-8 +4 5 months: 1061-2 1068-6 +3 Settlem't 1055 +4

TIN	a.m. Official	+ 01	p.m. Unofficial	+ °
High Grde Cash 3 months Settlem't. Standard. Cash 3 months. Settlem't.	9325-8 9255-60 9328 9325-8 9240-1 9328	+53.5 +58 +61.5 +33 +68	9320-8	+225
months & mon	19235. 40, 19240, 41, 19260. Kei 19245, 40. 19261. Al	ceal High b: S High terno	dard: h £9325, h Grade: 1 tandard: 1 on: Stand 245, 50. I	three Three Three Three

\$41,5-2 + 5 341-2 348-9 - 25 348-5 342 - 5 -U.S. Spot: 28.0-32.00 cents per pound,

ZING Official - unofficial -1 Zino-Morning: Three months £620, 19, 20, 21, 21.5, cash £517, three months £622, 22.5, 23. Kerb: Three months £623.5, 24. Alternoon: Three months £623, 24. Alternoon: Three months £622, 21, 21.8, £622, 23.5, 24.5, 24, 25, 24. Turnover: 16.450 tonnes, U.S. Prime Western: 48.00-50.75 cants per control.

ALUMINIUM

£ £ £ £ £ 847,5-9+5 844,5-5,5-2 858,5 9-2,5 867,60-868-2,5 Aluminium—Morning: Three months 0868, 68.5, 69, 69.5, cash 0847.5, three months 0871, 70.5, 70. 69, 68.5, Kerb; Three months 0868, 68.5, 68. Altemoor: Three months 0868, 67.5, 67, 0867, 66.5, 67, 67.5. Kerb; Three months 2867, 65. 65, 63. 65, 63.5, 63. 62.5, Turnovor: 32.550 tonnes.

NICKEL

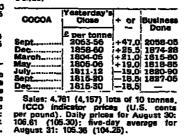
a.m. + or p.m. + or Official - Unofficial -t Nickel—Morning: Three months £3650, 55, £3658, Karb: Three months £3655, Attembor: Three months £3658, £3660, 70, 76, Karb: Three months £3670, Turnover: 1,056 tonnes.

Silver was fixed 4.3p an ounce lower for spot delivery in the London buillon marker yesterday at 576.8p, U.S. cent equivalents of the fixing levels were: spot 756.5c, down 4.5c; three-month 777.5c, down 5.5c; aix-month 801c, down 4.3c; and 12-month 852c, down 4.8c, The metal opened at 578-581p (759-752c) and closed at 572³2-575-2p (751-754c).

+ or LM.E. + or p.m. -SILVER | Builton per | fixing troy | price Spot 576.60p '-4.10, 573.50p | 8.50 3 months.590.75p | -5.15, 589.03p | -8.76 6 months.656.05p | 44.86 |

LME (2.000 oz contract)—Cesh 573.50p (582.00p); three months 589.00p (597.75p). Turnover 0 (0). Turnover: 77 (198) lots of 10.000 ozs. Morning: Lerge 1st ring three months 592. 2nd ring three months 591. Afternoon: Large three months 591. Afternoon: Large three months 591. Afternoon: Large three months 593. Kerb: Large three months 593. 89, 89.

Having opened wester cocos futures railied limit up on September and subsequently remained steady posting further gains by the end of the day. Industry offtake and light origin sales of new crop featured, reports Gill and



GRAINS

In quiet conditions values opened lower than anticipated as early trade selling created losses of C15-C25.00. However, continued support around C2420 basis November, encouraged a gradual recovery to unchanged by midday. In the afternoon small gains were posted in most positions but overhead trade resistance and deeler profit-taking restricted the rise, reports Draxel, Burnham and Lambert.

Sept2114-16 Nov2432-33 January2367-68 March2215-18 -9.5 |2430-00 -3.0 |2447-17 - |2385-45 -0.5 |2285-00 Sales: 3.570 (2.916) lots of 15 tonnes, ICO indicator prices (U.S. cents per pound) for August 29: Comp. daily 1978 148.46 (149.28): 15-day average 144.15 (143.54).

Business done—Wheat: Sept 103.80-3.35, Nev 107.80-7.05, Jan 111.30-0.80, March 114.25-3.75, May 117.35-6.85, July 118.50-8.15, Sales: 520 lots of 100 tonnes. Bartey: Sept 105.15-4.50, Nov 106.55-6.20, Jan 111.85-1.80, Merch 114.85-4.40, May 117.55 only. Sales: 137 lots of 100 tonnes. WHEAT BARLEY Month | Yesterd'ys + or | Yesterd's + or | diose | -

-_!_-HGCA — Locational ex-farm apot prices: Foed wheat: S. East 99.70, S. West 100.90, W. Mids 101.50, N. East 98.80; Feed barley: S. East 101.50, S. West 100.30, W. Mids 99.90, N. East 98.90. The Uk monetary coefficient for the week beginning Monday Septomber 3 (based on HGCA calculations)

Month Yesterdays Previous Business done close close done Oct....: 121.801 191.80 122.18-121.5 Nov..... 124.80 123.80 124.18-123.7 Feb.... 118.10; 118.10 118.40-118.4

118.20 118.20 118.40-118.1 116.00 116.00 118.40-118.0 115.10 115.10 115.40-116.0 April 118.20 118.20 118.40 June 116.00 116.00 116.4 Aug 115.10 115.10 115.4 Sales: 129 (141) lots of 50 car 3,250 kg.

POTATOES Yesterdy's Previous Business close __close | Dona £ per tonne Nov...... 73.10 73.00 78.96.72.58 Feb 81.00 79.90 78.96.72.58 April 92.70 93.70 85.70.92.50 May 99.50 100.10 100.00.99.4 78.00

Sales: 249 (199) lots of 40 tonnes. RUBBER

PHYSICALS—The London marks opened easier, attracted little physica interest throughout the day and closes inactive, reports Lewis and Peat. Closing prices (buyers) spot 63.00p (64.50p), Oct 74.50p (75.00p), Nov 75.00p (76.50p). The Kuela Lumpur Sept (ob price for RSS No 1 was 217.00 (221.5) cents a kg and fos SMR 20 was 206.00 (208.0).
FUTURES—Close (buyer, seller business). RSS No 4 was 206.00 (208.0).

FUTURES—Close (buyer, seller, business). RSS No 1 £ per tonne, Sept 999, 640; Oct 620, 650, 640; Nov 635, 660, 650; Dec 645, 670, nif; Jan 695, 670, nif; Peb 672, 680, nil; Mar 680, 680, nil; Apr 685, 700, nil; May 695, 710, nil; Oct/Dec 641, 665, nil; Jan/Mar 682, 630, nil; Apr/Jun 695, 730, nil; Sales; 0 (7) lots of 15 tonnes, 4 (4) lots of 5 tonnes.

SOYABEAN MEAL The London market opened £1.50 lower with active shipper selling interest, reports T. G. Roddick. Heavy selling pressure continued to be the theme for the day closing market £3.£5.00 down on day.

HIDES—Manchester (Leeds). Second clears. Ox 31-35.5 kg 120.3p a kg (118.0p withdrawn); 22-30.5 kg 125.6p a kg (121.0p withdrawn); 22-25.5 kg 133.0p a kg (129.5p); Cows 25.5 kg 136.6p a kg (137.8p).

WOOL FUTURES

FINANCIAL TIMES Aug. 29 Aug. 28 M'th ago Year ago

293.79 294.99 289.67 293.02 REUTERS Aug. 29 Aug. 28 Mith ago Year ago 1875.1 1880.8 -

Base: September 18 1931 - 100) MOODY'S Aug 28 Aug. 27 Mith ago Yearago 1005,5 1005,5 1004,8 1090,3 (Basa: December 31 1931 - 100)

DOW JONES Dow Aug. | Aug. | Month Year Jones 28 | 27 | ago | ago (Rese: December 31 1974 = 100)

Not spot or shipment sales were recorded in Liverpool, leaving the total for the week so far at 92 tonnes. The diminution in demand continued and business was at minimal levels. Little was heard of new contracts and the volume of interest on forward account was severely restrained. Minor purchases were sought in apecialist growths.

MEAT/FISH

MEAT COMMISSION—Average fat-stock prices at representative markets: GB—Cattle 96.51p per kg ky (-0.70); GB—Sheep 142.98p per kg est dew (+6.33); GB—Pigs 83.38p per kg lw (+0.56). (+6.53): GB—Pigs 83.38p per kg ler (+0.55).
SMITHFIELD MEAT—Pence per pound. Baef: Scotch killed sides 76.0 to 82.0; Ere hindquarters 89.0 to 83.0, forequarters 83.0 to 55.0. Veat: Dutch hinds and ends 131.0 to 137.0, Lamb: English amsil 64.0 to 68.0 medius 80.0 to 80.0; Scotch heavy 54.0 to 60.0; Scotch heavy 54.0 to 57.0; Imported: New Zealand PL 67.0 to 67.5, PX 60.0 to 61.0, YL 63.3 to 64.0. Port: English under 100lb 48.0 to 58.0, 100-120th 52.0 to 58.0, 120-160lb 46.0 to 58.0. under 100lb 48.0 to 58.0, 100-120tb 52.0 to 58.0, 120-160lb 46.0 to 58.0, 120-160lb 55.0 to 58.0, 120-160lb 65.0 to 58.0, 120-160lb 65.0, 120-1.09. Sugar pase—1,20-1.50. Cucum-bers—Tray 1.20-2.00.

Gauliflowers—Dozen, Lines 2.40-3.00. spring onions — Bunch 0.09-0.10.

Radishes—Bunched 0.12-0.14. Celery—Frepack 3.80-4.00: loose 2.40-2.50.

Salad — Crispa 16's 1.00-1.10. Courgettes — Per pound 0.09-0.10. Stick bears—Per pound 0.15-0.20. Bestroot —Bacs 28-1b 1.80-2.00. Onions—SS-1b bac 3.50-4.00. Celabrese—Per gound 0.30-0.35. Capateums—Per pound 0.30-0.35. Marrows—Dozen 1.20-1.50. Com—Each 0.12-0.18. Fennel—Tray 10-1b 3.00-3.50. Leeks—Per pound 0.25-0.30. Swrdes—38-1b 2.00-2.40. Parsnips—22-lb 2.00-2.20. Cobmuta—Per pound 0.50-0.9.85. Imported produce: Benapas—Windward Islands: approx 40-lb carten 11.00-11.50.

AMERICAN MARKETS

Precious metals were nominally lower in light trading with dealers and the public reluctant to take heavy positions ahead of the long labour day weekend. Copper prices were moderately lower with arbitrage selling the strongest force in the market, also, the announcement that the presidential advisory board elected not to recommend quota restriction depressed prices. Aluminium prices continued the recent pattarn of being hard pressed to find support and finished lower as the market falled to respond to announced gro-**NEW YORK**

COPPER 25,000 fb, cents/lb

61.30 62.00 62.70 63.35 64.60 65.70 66.85 68.00

COTTON \$0,000 lb, cents/lb

Close High 64.85 65.25 65.85 66.30 67.82 88.20 69.11 89.48 70.10 70.40 70.00 70.46

CRUDE OIL (LIGHT) 42,000 U.S. gallons, \$/barrels

Close 29.29 29.63 29.77 29.77 29.60 29.70 29.65 29.37 29.41

GOLD 100 tray az. \$/tray az

365.2 372.2 379.9

Oct Nov Dec Jan Feb Marck April May June

Sept Oct Nov Dec Jan Feb March April May June

PLATINUM 50 troy

63.10 63.70 65.00 66.05

68.00 70.00

Close High Low 785.5 744.0 785.5 786.0 750.0 761.3 788.0 788.0 788.0 788.0 807.4 812.0 807.4 812.5 829.0 823.0 841.5 847.0 842.0 888.4 875.0 870.0

COFFEE " C " 37,000 lb, cents/lb **CHICAGO**

LIVE CATTLE 40,000 ib, conts/ib

Closs Heigh 63-65 63.72 84.90 65.05 64.97 65.12 68.15 66.25 67.17 67.17 65.30 65.30 64.15 64.20 Oct Dec Feb April June August Oct LIVE HOGS 30,000 lb, cer Low 60.50 Prev 61.15 61.80 Close 47.20 48.97 51.47 48.60 52.55 53.25 51.90 48.95 Oct Dec Feb April June July August Oct 63.20 63.85 65.10 66.20 67.30 68.45 70.25 PORK BELLIES 38,000 lb, cents/lb

Closes 66.25 65.42 66.05 67.70 65.85 High 67.15 66.30 67,10 68.30 66.26 70.2S

Sept Dec 284.

Prev March 290.4

March 290.5

May 295.6

29.95

July 298.2 299.

30.08 Sept 297.4 297.4

30.08 Sept 297.4 297.4

30.08 Sept 298.0 bushel

Cless 649.4 850

653.0 85 High 650.0 654.0 660.0 680.0 689.0 696.0 649.4 653.0 665.6 879.4 688.6 694.4 690.0 663.0 Low 348.5 349.2 356.7 364.0 370.2 378.0 Prav 350.3 353.2 360.0 367.0 374.0 381.7 545.Đ 635.0 SOYABEAN MEAL 100 tons, \$/ton High 153.0 165.8 162.2 165.5 168.5 174.0 Close 152.9 755.7 161.9 184.7 167.8 174.0 178.5 175.5 174.5 397.5 405.7 414.1 422.6 431.8 403.6

Prev 296.2 282.2 285.0 284 6 297.4 291.0 283.4

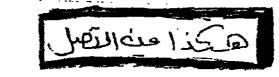
406.0 HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons Prev 79,02 80,08 81,28 82,80 83,25 82,80 80,60 78,25 78,55 77,85 78.65 79.70 80.90 82.40 82.80 SOYABEAN OIL 80,000 lb. cents/lb 82.40 77.10 77.10 High 171.80 170.90 169.86 170.75 170.25 170.50 170.00 170.26 170.00 170.60 — — 170.35 170.85 170.85

Low

342,6 351,5 362,0 370,5 379,0

WHEAT 5,000 bu min, cents/60-ib bushel Prev 340.2 343.7 353.5 363.2 373.1

Close Hoth Low 347.8 342.0 337.4 347.8 342.0 337.4 349.0 349.0 349.0 349.0 349.0 349.0 349.0 349.0 349.4 349



CURRENCIES; MONEY and CAPITAL MARKETS

FOREIGN	EXCHANGES =
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FINANCIAL FUTURES

Short covering boosts dollar

First And May De May

Mary Mary

KETS

15 1800

r census

market reaction. market reaction.

Sterling showed mixed changes and its trade weighted index finished unchanged from Wednesday at 78.2, having stood at 78.3 at noon and 78.2 in the moraing. Developments in the dock strike were an important factor behind any possible sterling trend and the confusion surrounding voting at Tilbury left the market without any clear

The dollar was firmer against most currencies yesterday, hieped by short covering ahead of the long U.S. weekend. Senting fell against the dollar ment was also improved by a rise in Federal funds and there was a strong reluctance to run short on dollars over the three-day break.

It closed at DM 2.8345 up from DM 3.7825. It was weaker at DM 2.8355 compared with SwFr 2.4940 compared with SwFr 2.4941.20 from Y240.60 and FFr 8.8535 against FFr 8.8530. On Bank of England figures, the dollar's trade weighted index rose to 136.5

News of a 1 per cent rise in U.S. factory orders in July was much in line with market expectations and there was little market reaction.

Idea as to how effective the call good.

For a national strike may be.

Sterling fell against the dollar was fixed at 1.3105-1.3115, a fall of 45 points from Wednesday but to close at \$1.3105-1.3115, a fall of 45 points from Wednesday but to close at \$1.3105-1.3115, a fall of 45 points from Wednesday but to close at \$1.3105-1.3115, a fall of 45 points from Wednesday but to close at \$1.3105-1.3115, a fall of 45 points from Wednesday but to close at \$1.3105-1.3115, a fall of 45 points from Wednesday but to close at \$1.3105-1.3115, a fall of 45 points from Wednesday but to close at \$1.3105-1.3115, a fall of 45 points from Wednesday but to close at \$1.3105-1.3115, a fall of 45 points from Wednesday but to close at \$1.3105-1.3115, a fall of 45 points from Wednesday but to close at \$1.3105-1.3115, a fall of 45 points from Wednesday but to close at \$1.3105-1.3115, a fall of 45 points from Wednesday but to close at \$1.3105-1.3115, a fall of 45 points from Wednesday but to close at \$1.3105-1.3115, a fall of 45 points from Wednesday but to close at \$1.3105-1.3115, a fall of 45 points from Wednesday but to close at \$1.3105-1.3115, a fall of 45 points from Wednesday but to close at \$1.3105-1.3115, a fall of 45 points from Wednesday but to D

+0.51 +0.78 -0.16 -0.09 -0.07 -0.02 -1.06 ±1.5447 ±1.8425 ±1.0842 ±1.4052 ±1.4064 ±1.6699 ±4.1505

the impact of economic figures has been fairly limited recently. It was the first time the German central bank had not intervened central bank had not intervened at the fixing since August 12.

Sterling was also firmer, helped by the lack of euthusiasm among workers at some British ports for a national dock strike. The pound rose to DM 3.7850 from DM 3.7850, while the Japanese yen improved to DM 1.1965 per 100 yen from DM 1.1495. On the other hand the Swiss franc fell to DM 1.2025 from DM 12030. Within the EMS the French franc improved to DM 32.585; the Dutch guilders from DM 32.585; the Dutch guilders from DM 32.585; the Dutch guilders from DM 38.630; and the Belgian franc to DM 4.9520 per 100 francs from DM 4.9520. The Irish punt was unchanged at DM 3.0850; and the Italian lira to DM 1.6120 per 1,000 lira, but the Danish krone eased to DM 27.510. at the fixing since August 12.

f in New York Latest Aug. 30 \$1.3115-3125 \$1.3115-3125

HE	POUND S	SPOT AND	FORWA	RD		
	Day's spread	Close	One month	% p.e.	Three months	% p.a.
S. nada thind. igium	76.16-76.40	1.3105-1.3115 1.7015-1.7025 4.26-4.27 76.25-76.35	0.08-0.13c die 0.21-0.25c die 13-17 ₂ c pm per-5c die	-1.01 -1.62 4.50 -0.39	0.42-0.47sis 0.86-0.76dis 4%-4% pen 3-13 dis	-1.30 -1.69 4.22 -0.42
amerk Jand Gor, rtugsi ain	13.75°±13.80°± 1.2247-1.2293 3.77°±3.78°± 197°±1984 215.95-216.60	13.75½-13.76½ 1.2255-1.2265 3.78½-3.78½ 197½-198½ 216.00-216.20	\$-13-ore dis 0.14-0.30p dis 17-13-pt pm 235-640c dis 45-70c dis	-2.16 5.07 -26.52	3½-4½ dis 0.62-0.79dis 4½-4½ pm 715-1710dis 175-210 dis	-1.13 -2.32 4.97 -24.49 -3.56
ly rwsy nce reden	2,343°2,349 10,85-10,89 11,59-11,62°- 10,85-11,91	2,346°-2,347°- 10.85°-10.86°- 11.80-11.61 10.86°-10.87°-	4-7 fire dis 11-2ore dis 12-2ore dis 2-21-ore dis 2-21-ore dis	-2.81 -1.77 -0.26	20-23 die 5-54 die 14-3 die	-3.66 -1.97 -0.82
ocer Stria Stria	3164-317 26.50-26.65 2.14-3.164	3151-3161 26.53-26.58 3.141-3.15	1.18-1.08y pm 9 ¹ e-8 ¹ -gro pm 1 ² e-1 ² -c pm	4.29 3.95	74-6 CUS 3.38-3.24 pm 254-22 pm 44-44 pm	-2.80 4.19 3.57 5.46

Beigien rate is for convertible francs. Financial franc 76,89-77.02.

20x-mourn	IDIMATO COME	1.00-1.106 815, 1	2-monm 2,30-2,40	c 019.										
OTHER CL	OTHER CURRENCIES													
Aug. 30	£	\$	1	£ Note Rates										
Brazil Gruzeiro Finiand Marida Greek Drachina Hông Kong Dollar Irahi Riat Kuwait Dinar(KD) Luxembourg Fr Maiayaia Dollar New Zasiand Dir. Saudi Arah. Riyal	1,5430-1,5450 2,689,49.2,704.20 1,9210-7,9400 151,40-151,80 10,2704-10,2924 118,15* 0,587750,38778 76,25-76,35 2,6210-2,6280 4,6250-4,6312	1.1770.1.1780 2,052.2,068 6.0505-6.0525 115.50.115.80 7.8400-7.8440 90.25* 0,29550-0,2850 58.15-58.20 2.3520-2.3536 1.9990-2.0000 5.5300-3.5310	Austria Balgium Denmark France Germany Italy Uapan Netherlands Norway Portugal Spain Sweden	18.71-18.81 11.66-11.67 8.771-8.811 2326-2360 316-320 4.25-4.29 10.82-10.92										
Singapore Dollar Sth African Rand U.A.E. Dirham	2,8223-2,8294 2,0480-2,0510	2,1545-2,1566 1,5620-1,5645	Switzerland United States Yugoslavia											

1.3106-1.3115 0.99-0.13c dia 1.0630-1.0637 0.15-0.05c pm 1.2860-1.2965 0.04-0.06c dis 3.2520-3.2540 1.54-1.5fc pm 4-2c pm 4-2c pm 10.491-10.50 2.8340-2.8350 1.54-1.489f pm 1503-1513 170-470c dis 164.80-165.00 2.70-3.20 lire dis 2.252-8.29 0.30-0.80ore dis 3.8510-8.2560 0.55-0.45c pm 0.55-0.45c pm 0.55-0.45c pm 0.60-1.30cre dis 1.10-1.08y pm 8.60-8.10gro pm 1.42-1.38c pm 8.29¹/₄-8.37¹/₄ 240.65-241.40 20.25-20.29 2.3900-2.4040

CURRENCY MOVEMENTS CURRENCY RATES Aug, 30 78.2 136.5 90.1 115.7 90.0 77.3 123.6 142.9 113.9 47.4 185.5

EXCHANGE CROSS RATES

Aug. 29	Pound Strling	U.S. Dollar	Deutsche m'k	J'panese Yer	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lire	Canada Dollar	Beigian Franc
Pound Sterling	0,768	1.511	5,785	316.5	11,605	3,148	4.265	2547. ·	1,702	76.30
U.S. Dollar		1.	2,885	241.2	8,854	2,404	8.263	1790.	1,298	58.18
Tutschemark	0.964	0.346	11,97	83,55	3,066	0.832	1.127	620.1	0.450	20,16
J. anese Yen 1,000	3.152	4,145		1000,	36,70	9,953	13,48	7421.	5,382	241,5
French Franc 10	0,862	1.130	5,262	272.5	10.	2,712	8,675	2022.	1,467	65.75
Swiss Franc	0,318	0,417	1,203	100.5	3,687	1,	1,355	746,5	0,541	24,24
Dutch Guilder	0,234	0,507	0.867	74,15	2,721	0.738	1.817	545.7	0,399	17,89
Italian Lira 1,000	0,426	0,559	1,513	154.7	4,945	1.541		1000.	0,725	32,51
Canadian Dollar	0,586	0,770	2,294	185.8	6,818	1,849	2,506	1879.	2,231	44.83 SE
Belgian Franc 100	1,511	1,718	4,961	414.5	15,21	4,125	5,590	3075.		100, 175

EURO-CURRENCY INTEREST RATES (Market closing rates)

Aug. 50 Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swise Franc	D-mark	Franch	Italian Lire	Conv.	n Franc Fin.	Yen	Danish Krone
Short term 107s-11 T days notice 107s-11 Month 107s-10 Three months 104s-10 Set months 104s-10 One year 104s-10	11 5-11 6 11 5-11 4 11 5-11 4 11 5-12 5 11 7-12 12 12 12 12 14 12 12 12 14	124-125 126-124 126-124 126-124	613 613 614 618 6-618 6-618 6-618 6-618	15-17 234 5 48-415 418-415 418-515 5-518	55g-512 57g-57g 514 55g 57g-55g 57g-6 61g-614	105g-107g 105g-107g 10fg-111g 11fg-111g 117g-12fg 12fg-13	1012-12 1336-1436 1334-1414 1412-1456 1518-1512 1656-1618	107g-115g 107g-115g 11:111g	1118-1156 1116-1158 1116-1158 1118-1156 1118-1156 1118-1156	516-515 616-614 646-516 516-516 646-516 618-516	111g-11 11-11 111g-12 115g-11 115g-12 12-12

Asian \$ (closing rates in Singapora): Short-term 11½-11½ per cent; seven days 11½-11½ per cent; one month 11½-11½ per cent; three months 11½-12 per cent; six months 12½-12½ per cent; one year 12½-12½ per cent; three years 13½-13½ per cent; three years 13½-13½ per cent; four years 13½-13½ per cent; five years 13½-13½ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yea; others two days' notice.

MONEY MARKETS -

UK rates easier where changed

Interest rates were a little easier in London yesterday. There appeared to be no clear overall trend as the market attempted to assess the implications of a partial strike by dock workers. Three-month interbank money was unchanged at 104-104 per cent while three-month interbank eligible bank bills in band 1 at 104-104 per cent while three-month cligible bank bills in band 1 at 104-104 per cent while three-month cligible bank bills in band 1 at 104-104 per cent compared of local authority bills and f44m of eligible bank bills at 104-104 per cent compared with 104-104 per cent compared with 104-104 per cent. Overnight interbank money opened at 104-11 per cent and to band 3 it bought f44m of eligible bank bills all at 104-104 per cent. In band 3 it bought f44m of eligible bank bills all at 104-104 per cent and toached a high of 114-104 per cent and toached a high of 114-104 per cent before easing to 104-104 per cent and in band 4 £7m

MONEY PATF

it bought f44m of eligible bank bills at 104-104 per cent. It also arranged sale and repurchase agreements on £200m of bills at 104-104 per cent, unamounced its intention to invite assistance in the morning which winding on September 11.

The forecast was revised to a shortage of around £650m, before taking into account the earlier tender will be known today but help and the Bank gave help in the afternoon comprising £1m of eligible bank bills at 104-104 per cent and in band 4 £7m

The Bank of England forecast was revised to a shortage of around £650m, before taking into account the earlier tender will be known today but help and the Bank gave help in the afternoon comprising £1m of eligible bank bills at 104-104 per cent and in band 4 £7m

The forecast was revised to a shortage of around £650m, before taking into account the earlier will be known today but help and the Bank gave help in the afternoon comprising £1m of eligible bank bills at 104-104 per cent and in band 4 £7m

The Bank of England forecast was revised to a shortage of around £650m, before taking into accou

The Bank of England forecast a shortage of around \$700m with factors affecting the market including manuring assistance and a take up of Treasury bills together draining £235m and the unwinding of previous sale and repursals accounts. repurchase agreements accounting for a further £516m. There was also a rise in the note circulation of £10m and banks brought forward balances £10m below target. On the other hand Exchequer transactions added

To help alleviate the shortage, the Bank offered an early round of assistance which resulted in purchases of £232m of bills. These comprised £5m of eligible bank bills in band 1 (up to 14 days) at 10½ per cent and £135m in band 2 (15.53 days) at 10½ per cent. In head 2 (24.53 days) per cent. In band 3 (34-63 days)

FT LONDON INTERBANK FIXING

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	bid :	17/5		0576	r 12
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<u>. </u>	bid 1	21/4		offer	12 1/4
The	fixing	ratae	A74	the	actthmer

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for Sidm quoted by the market to five returnes banks at 11 am each working day. The banks at 12 am each working day. The banks are National Westminater Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Peris and Morgan Guarenty Trust.

ít	bough	t £44m	of eligi	bie ban
bi	lls at	LO1 per	cent and	l in ban
4	(64-91)	days)	£48m of	eligibl
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70	Ribie	cent so	d in ban	4 2 £5r
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£2	lm of	eligibi	e bank	bills a

434.478

114

Frankfurt | Paris | Zurich | Amst'dam | Tokyo | Milan | Brussels | Dublin 5.45-5.58 104 5.7-5.8 114-114 6.75-5.85 1113-114 5.80-5.95 114-114 6.05-6.20 114-114 5.5 5.21875 | 1614-1658 | 12.0 | 1236-1256 6.54375 | 1618-1619 | 1118-1118 | 1234-13 1273-1318 5 98125 | 1636-1658 | 1118-1186 | 13-1618 15.16 4|| 4|| 6.34375 | 161₆.161₆ | 1.1₆ | 1.3 | 1.3 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1 6-61g

6<u>% 6%</u> 6%-6%

B34

Market Deposits

LONDON MONEY RATES

2078-1112 1078 1012-1114 11-114 1072-11 11 1045 1046 11 103-1046 1046 1046 1046-1046 1046 1046 107-1046 1046 1046 1046-1046 1046-1078 1046-1046 1046-1078 1079 1044 1054 1054 1054 204-1078 104-1078 1078-1058 10-1014 | Local Auth. | Local | Finance | S Cert | SDR | Excu | Regoliable | Authority | House | of Linked Lined | Lin

105₄ 11.55-11.85 924-945 925-95 105₄ 11.5-11.7 934-10 91₂.95₅ 107₄ 11.7-11.5 91₅-10₇₅ 91₄-97₅ 107₆ 11.6-12.95 10₇₅-10₇₅ 91₅-10₁₂ 107₈ 12.1-12.5 10₇₅-10₇₅ 10₇₅-10₁₂ 114 114 114 113

MONEY RATES NEW YORK (Lunchtime) Treasury Bilis

10% 10% 10% 10% 10%-10% 10% 9g-10 19k 9k

Discount Houses Deposit and Bill Rates

 One-month
 10.525

 Two-month
 10.625

 Three-month
 10.84

 Six-month
 10.74

 One-year
 10.86
 Treasury Bonds Two-year 99%
Three-year 99%
Four-year 102%
Fivo-year 99%
Seven-year 103%
10-year 98%
30-year 98% Little change

Trading was quiet on the of higher interest rates in the London International Financial minutes of the July Federal Futures Exchange yesterday ahead of the long weekend holiday in the U.S. After a subdued start it became clear released next month will the market was not subdued. subdued start it became clear the market was not reacting to encouraging oews from the U.S., as far as credit markets were concerned, about a possible slowdown in U.S. economic growth, or to the confusing reports from the UK about the national dock strike.

Eurodollars and U.S. Treasury bonds for future delivery finished slightly firmer overall, but there was very little movement as the market continued to show concern about the hint

THE DOLLAR SPOT AND FORWARD

P.B. months P.B.

-1.01 0.42-0.47eta -1.30
1.12 0.30-0.20 pm 0.94
-0.46 0.08-0.12dig -0.31
5.63 4.55-4.52 pm 5.58
0.62 15-11 pm 0.83
0.67 22-24 pm 0.85
6.40 4.57-4.52 pm 6.30
-25-43 500-1250dig -22.18
-2.55 35-120 dis -2.51
Is -1.98 10-11 dis -2.35
a -0.80 1.10-1.80dig -1.85
0.68 1.15-0.95 pm 0.47 STERLING £25,000 \$ per £

0.68 1.15-0.95 pm -1.52 2.75-3.25dis -5.37 3.34-3.29 pm 4.94 25.75-23.75pm 6.98 4.14-4.06 pm rward premiums and DEUTSCHE MARKS DM 125,000 \$ per DM 7.775271 0.591592 1.01700 0.775992 Close High Low Sept 0,3472 0,3475 0,3467 0 Dec 0,3527 0,3527 0,3524 0 Estimated volume 25 (21) Previous day's open int 318 (309)

SWISS FRANCS
SWIST 125,000 \$ per SwFr
Close High
Sept 0,4776 —
Dec 0,4247 —
Estimated volume nil (557)

COUNTRY

march 108.70 -- 109.2 Estimated volume 523 (336) Previous day's open int 952 (1,009)

ing. There was also a general expectation the economic figures released next month will

released next mouth will indicate much stronger growth than the latest statistics.

Treasury bonds for September delivery opened at 65-13, and after touching a high of 65-18 closed at 65-17, compared with 65-15 on Wednesday. December was the most active month for Eurodollars. The contract opened at 87-84, the low point of the day and after trading in a narrow range, touching a peak of 87-89 closed at 87-86, against the previous settlement of 87-83.

LONDON U.S. TREASURY BONDS 8": \$100,000 32nds of 100". THREE-MONTH EURODOLLAR Close High Low 65-17 65-18 65-08 64-26 64-28 64-19 ---Close rugs 5-78
Sept 55-17 85-18 85-08 85-19
Dec 54-25 84-28 54-19 84-29
Bearch 64-09 - 64-07
Estimated volume 523 (549)
Previous day's open int 2,015 (2,167) **CHICAGO** U.S. TREASURY BONDS (CBT) 8: \$100,000 32nds of 100%

Ciose High Low Pri Sept 1.3105 1.3117 1.3105 1.313 Dec 1.3151 1.3158 1.3151 1.315 March 1.3215 1.3220 1.3215 1.324 Estimated volume 168 (376) Previous day's open int 5,483 (6,664) Prev 1.3139 1.3185 1.3248

Previous day's open Int 1,381 (1,652) JAPANESE YEN Y12.5m \$ per Y100

Close High Low Prev March 1.3250 1.32

INVESTING IN GOLD A LOOK AT FIVE ALTERNATIVES

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Company Notices

ANGLO AMERICAN INDUSTRIAL

CORPORATION LIMITED 5.625 PER CENT CUMULATIVE FIRST PREFERENCE SHARES OF R2 EACH — DECLARATION OF DIVIDEND No. 6

(Incorporated in the Robublic of South Africa)

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

GGG

62-06 62-01

Prev 89.61 89.20 88.84 88.57 88.35 88.18 88.04 87.94

AZIENDA AUTONOMA DELLE **FERROVIE DELLO STATO**

U.S. \$250,000,000 Floating Rate Notes 1988 Convertible until February 1986 into 91/4 per cent. Bonds 1992

For the six month period 31st August, 1984 to 28th February, 1985

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 122 per cent per annum, and that the interest payable on the relevant interest payment date, 28th February, 1985 against Coupon No. 9 will be U.S. \$314.24.

S.G. Warburg & Co. Ltd. Agent Bank

WORLD VALUE OF THE DOLLAR

CURRENCY

BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

COUNTRY

The Table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, August 29, 1984. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified Bank of America, Economics Dept., E.M.E.A. London Eurodollar Libor as of August 29 at 11.00 a.m. 3 months: 12 6 months: 121

CURRENCY VALUE OF DOLLAR

areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

ECU=\$US.777084

SDR1 = SUS1.01762 Sibor as of August 29 at 11.00 a.m.
3 months: 12 6 months: 12 VALUE OF COUNTRY CURRENCY | VALUE OF

00001K1	Opideriol		- COOM 7 K 1	Optochot						505-41	_
fghanistan		50,50	Grenada	E. Caribbean \$	9.	70	Paraguay	Guarani (o.c)		240.00	•
lbania		7,7099 5.032	Guadaloupe	Franc	. 8,0	8355 90	Danie	Set ioi	,	443.00 3792.53	
ndorra	Fr. Franc	8.8355	Guam Guatemais	Quetzaj	. 1.0	00 1	Philippines Piteairn is Poland	Peso (5)	- :	18.D6	
	Sp. Peseta	164.67 30,214	Guinea Bissau Guinea Rep	Peso	82.5	5985 1578	Pitcairn is	N.Z. Dollar		2,0028 115,04	
ngols	KWanza E Coribbean &	2,70	Сијлев кер	Beller Deller	3.7	75	Portugai	Escudo	!	151.00	
ntigue	New Peso (o)	72,202	- OUTAINA 2	PONEL	•		Puerto Rico	. U.S. &	- !	1.00	•
ustraila	Dollar	1,1718	Haiti	Gourde	5.0		l	- ·			
ustria	Schiling	20.24 151.00	Honduras Rep	Lempina	2.0	00 3425	Gatar	. Riyal		3,641	•
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ahrain	Dinar	0,3769	loeland		31.		Romania	· Leu (O		4.75	
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eilzeenin	DOILE	2.00 441,775	I &rae	Shekel	321 1783.9	.35	St. Vincent Samos (Western)	. Tais		2.075	
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olivia	Peso (o) Peso (d)	2000,00 9000,00	Jamaica	Dollar (0)	4.1	18	Sao Tome & Principe DR	Dobra		44.4661	
otawana	Pula (6) :	1.3583	Japan	Yen	240.9	35 381	Saudi Arabia	Riyal (4)		3.53 441.775	
ourkina Fasso	C.F.A. Franc (7)	1,35 93 441,775	Jordan,				Senegal,	C.F.A. Franc	- :	441.775	
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rune)ulgaria	Lev :	3.1718 1,022	# Kiribati	Aust. Dollar .	1 2.3	L718	Singapore	Deliar	•	2,1817	
uma	Kyat .	7.9976	Korea (Nth)	Wen	0.0	24	Solomon Is	. Doliar		1,2967	
urundl	Franc	120,575	Korea (Sth) Kuwait	Won	809,	2956	Somali Rep South Africa	Shiffing		17,2516 1,5516	
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anary 6	Sp. Peseta :	164.67	Lao P'pis D. Rep Lebanon	Kip Pound	6.6	58 I	Spain Span. Ports in N.] Africa	Sc. Peseta	•	164,67	
ape Verde is	Escudo ;	80.00	LESCENG	T00	1.8	5616 I	8ri Lanka	Rupea	_	26,345	
ayman isen. Africa Rep	C.E.A. Erone	0.835 441,775	Liberia	Dollar	1.0	961	Sudan Rep	Pound*		26,345 0,7693	
hed	C.F.A. Franc	441,775	Libya Liechtenst'n	DINEL Sw. Emer	1 23	927	Surinom	Guilder		1,785 1,8516	
nile	Peso (O)	92,79	Luxembourg	LUC Franc		B75	Swaziland Sweden	Krone		8.305	
hina	Pean (O)	9.4136 104.25	Macao	Pataca	8.3	525	l Switzeriano	Frenc	- 1	2,3927	
omorosongo Ppie Rep.of	C.F.A. Franc	104.25 441.775 44.1775	Madagascar D. R Madeira	Franc	607.1	76	Syria	Pound (0)	•	3,925	
ongo Pole Rep.of	C.F.A. Franc	44,1775	Madeita Malawi	Port, Escudo	151.0	409	Taiwan.,,	Dollar (O)	•	39,03	
0517 KICS	Color (44.00 0.832	Majayela	Rinosit	1 2.3	317	Tanzanis	Shilling (7)		17.30	
YOUR	Pound*	1.6725	Maldive Is	Rufiyee (O)	1 5.9	3 I	Thailand	Bant	_	22,98 441,775	
ypruszechosłovakia	Koruna (O)	6.70		Ruflyaa (M)	7.0 883.5		Togo Rep	Pa'anga		1.1718	
enmerki ibouti Rp. of	Krone Fran	10.4647 179.037	Mali Rp	C.F.A. Franc (2)	441.7		Trinidad & Tobago	Dollar		1,1718 2,409	
omin)&&	E. Caribbean S	2,70	77.61	בפתעסים	2.1	669	Tunisia	Dinar		0,8005 389,125	
omin. Rep {	Peso	1.00	Martinique Mauritania	A	8,6, 66,6	350	Turkey Turks & Caicos	U.S. 5		1.00	
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uador	Sucreid)	99.75	Mauritius	Peso (d)	192.6	iB 1	•				_
	Sucre(f)	99.00	Miqueton	Peso (e)	175.2	6 385	Uganda	Shifting (6)		346,80	
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20178401	Colon (d)	4,00	Mongolia Montserrat	Tugrik (O)	. 3.8	655 0	Utd. Kingdom Urununy	Pound Starling*	•	1.51 - 56,88	
iti Grinea	Ekuele	329.34	Montserrat	E. Caribbean \$	2.7	<u>.</u>	Uruguey	Peso (m)	:	56,88 0.824	
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eroe is d ikland is d	Paundi	1,51	Naminia	C A Dead	1.5	616	Vanuatu	Vatu		98,858	Į
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nland l	Merkka .	6.0507	Nepel	Rupee	: 18,1 8,24		Venezuela	Bolivar (g)	- 1	7.50 4.30	
ancei	Franc	8,8355 441,776	NELLI ANT ICE	Gunder	1.8	ő	Venezuela	Bolivar to	•	12,48	
. Gulana	Franc	8,9355	New Zestand	Dollar (5)		Q26 I	(Bolivar (d)	:	12.35	
. Gulana . Pao. Is'd	C.F.P. Franc	160,645	Nicaragua (Cordoba	10.0	<u> </u>	Vietnam	11 6 8 11 6 8	:	10.1991	
tbon	C.F.A. Franc	441,775	Misse Do	Cordoba (d)	800. 441.	775	Virgin Is, Brit Virgin Is, U.S	U.S. 8		1.00 1.00	
	Dalasi	8.8168	Niger Rp,(Nigeria	Maira	0.77	ói" l					
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tana	Politicals	25.00 1,31			- 14.0					37,1239	
		115.35	Pakistan Panama	Rajboa	1.0	ŏ' l	Zaire Rep Zambia	Kwacha		1,8282	
eenland			Papua N.G	lina .	0,51	66	Zimbabwe	Dollar		1,2905	
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n.e. Not available. (m) Market rate. * U.S. dollars per National Currency unit. (a) Freemarket control bank. (b) Official rate. (b) Freemarket Interbank. (c) Commercial rate. (d) Freemarket. (e) Controlled. (l) Financial rate. (g) Preferential rates. (h) Non-essential imports. (l) Floating tourist rate. (1) Venezuela: For debts incurred prior to February 1983. (2) Mali Rep. has rejoined U.M.O.A. and effective June 1. CFA franc is official currency. (3) Mali Rp.: Mali franc remains legal tender for three months from June 1. (4) Saudi Arabis: Riyal develued from 3.51 to 3.53, August 12. (5) New Zealand: Official develuation of 20%, July 18. (6) Botswent: Approx. 5% devaluation effective July 9. (7) August 4 Upper Volta changed its name to Bourkina Fasso, For further information please contact your local branch of the Bank of America.

INTERNATIONAL CAPITAL MARKETS

ASIA NAVIGATION INTERNATIONAL LIMITED NOTICE OF MEETING

of the holders of the outstanding 61, per cent. Convertible Guaranteed Bonds 1989 of the holders of the outstanding 6", per cent, Convertible Guaranteen bottom 1999

NOTICE IS HEREBY GIVEN that a meeting of the holders of the out-Janding 6", per cent, Convertible Guaranteed Bonds 1999 ("the Bonds,") of Asia Navigation International Limited ("ANIL"), which are constituted by a Trast Deed dated 6th March, 1974 and made between ANIL (1), Eastern Asia Assignation Company, Limited ("EAN") (2) and The Law Debenture Corporation, p.l.e. (then called The Law Debenture Corporation, Limited) ("the Trastee") (3), as amended by a First Supplemental Trust Deed dated 8th December, 1999) and made between ANIL (1), EAN (2), World International Holdings) Limited ("Med'd") [3] and the Trustee (4), will be held at the Regionered Office of World at 16th Floor, World Shipping Centre, Harbeur Cuy, 7. Canton Road, Taim Stu Trus, Kowloon, Hong Geng on John Sprimber, 1984 as well as mapping of Considering and, if thought fits, passing the following Resolution, which will be proposed considering and, if thought fits, passing the following Resolution, which will be proposed from the Trust Deed committee in the Proposed Considering and, if thought fits, passing the following Resolution, which will be proposed from the Proposed Considering and in thought fits passing the following Resolution of the Trust Deed committee in the Proposed Considering and the Proposed Considering Considering and the Proposed Considering and the

EXTRAOPDINARY RESOLUTION

"THAT this meeting of the holders of the outstanding of the central Convertable Guaranteed Bonds 1989 ("the Bonds,") of Asia Navigation International Limited ("ANIL,"), which are constituted by a Thirst Deed dated (bit March, 1974 and made between ANIL (II, Eastern Ava Navigation Company Limited ("EANI") (2) and The Law Debenture Corporation, p. 1... then called The Law Debenture Corporation, p. 1... then called The Law Debenture Corporation, Limited ("The Trustee") (1), a amenaed by a Fifst Supplemental Trust December, 1990 and made between ANIL (II, EAN 12), World International (Holdings) Limited ("World") (3) and the Trustee (4), hereby.—

(1) sanctions are modefication, abrogation, variation or compromise of or arrangement in respect of the rights of the holders of the Bonds against ANIL, EAN and World involved in the implementation of the proposal in that behalf eithe ANIL Consertive Bond Proposal? set out in the letter dated 11st August, 1984 from Schredert-a Chartered Lumned addressed to the holders of the Bonds unstituding suthout prejudice to the generation of the torquing the release of the World prumpites and the chancellation of the ANIL consert the Bonds unso share capital of World and the substitution therefore of the right forconvert the Bonds into share capital of EANI, and assents to such implementation of the ANIL Consertable Bond Proposal in accordance with its propositions and otherwise in accordance with the terms of the said letter.

its provisions and otherwise in accordance with the terms of the said letter access to any modification to the provision command in the Trust Deed constituting the Bonds of the terms and conditions of the Bonds which is or may be involved in the implementation of the ANIL Convertible Bond Proposit and authorises and requests the Trustee to waive the obligation on the pair of World to comple with the provisions of Claus 81 Alterior the Trust Deed and to give any other was criminal as may be necessary for the purposes of the Scheme of Arrangement dated 31st August, 1984 between World and its shareholders and EAN and to execute a Second Supplemental Trust Deed for the purpose alteread in terms of the draft now submitted to this meeting land for the purpose of identification initialled by the Chairman hereof) with such modifications of land as the Trustee, ANIL and EAN may agree."

In order to be entitled to alread the meeting Bondholders must either produce their Bonds or voring certificates. Holders move deposit their Bonds of whit any paying agent our later than 48 hours before the time appointed for holding the meeting in order to obtain voting certificates or to appoint proues. Each certificate will state that on the date thereof Bonds of a specified amount and bearing specified serial numbers were deposited in an account which will be blocked until the earlier of (a) the conclusion of the above meeting or any adjournment thereof or this he surrender of such certificate to the paying agent which issued the came, and that the bearer of the voting certificate is entitled to airend and vote at the meeting or at any adjournment. Bonds may be deposited at any of the following addresses.—

PRINCIPAL PAYING AGENT The Chase Manbairan Bank N.A.

Woolgate House Coleman Street London EC2P 2HD 1-3 Marupouchi tome, Chivoda-ku 1 Tokyo 100

PAYING AGENTS
The Chase Manhallan Bank, N.A.
at its offices at

The majority required to pass the Estraordinary Resolution is three fourths of the votes cast. On a show of hands, every person who is present in person and produces a Bond or voting certificate or who is a pross, shall have one work one of On a poll, every person who is so present shall have one work in respect of each US\$1,000 in principal amount of Bonds so produced or represented by the voting certificate is produced or in respect of a which he is a prossy. If duly passed, the Estraordinary Resolution will be binding upon the holder of each Bond whether or not present or represented at the meeting or voting in former of the Resolution.

binding types to holder of sain mone whether or not present or represented as the measure of recognition.

NOTICE IS ALSO HEREBY GIVEN that he the terms of a Scheme of Arrangement, details of which are set out in a document dated 11st August, 1984 ("the Scheme Document"), it is proposed to cancel the extenting usued shares of EAN, and to create and issue to the shareholders of World new EAN shares in the proportion of one new EAN share of HK50 25 for each ordinary share of HK50.50 of World field. The Scheme of Arrangement also extends to any new fully paid ordinary shares of HK50.50 of world field. The capital of World issued as a result of the exercise of the conversion tights attached to the Bonds, by the logging of a Conversion Notice and the relative Bonds in accordance with the terms and conditions of the Bonds, price to the date on which the Scheme of Arrangement becomes effective. The terms and conditions of the Scheme of Arrangement are constanted in the Scheme Document.

Copies of a circular to Bondholders dated Jist August, 1984 replaining the ANIL Convertible Bond Proposal, the Scheme Document and an introduction Document dated Jist August, 1984 usued in connection with the proposed listing of the issued share capital of EAN on the Hong Kong Stock Exchange Lamied are available for collection and a copy of the Trust Deed, the First Supplemental Trust Deed and a draft (subject to modification) of the Second Supplemental Trust Deed referred to above, are available for myocktom at the offices of The Trusteer at Estates House, 66 Gresham Street, London EC2V 7HN, and at each of the paying agents at the above-mentioned addresses.

By Order of the Board of EASTERN ASIA NAVIGATION COMPANY LIMITED World-Wide Secretaries Limited

ASIA NAVIGATION INTERNATIONAL LIMITED

6-1/2 PER CENT. CONVERTIBLE GUARANTEED BONDS 1989 It is announced that proposals have been put to the shareholders of World International (Holdings) Limited for the reorganisation of World International (Holdings) Limited and its subsidiaries. The reorganisation proposals involve Eastern Asia Navigation Company Limited becoming a separately listed public company.

As part of the reorganisation, a proposal (the "Proposal") is being put to the holders of the above-mentioned Bonds for the amendment of the rights attaching thereto and notice is being given in the press on 31st August, 1984 of a meeting of Bondholders to be held on 26th September, 1984 to consider and, if thought fir, approve this proposal.

zenn September, 1984 to consider and, if thought in, approve this proposal.

Schroders & Chartered Limited has been appointed to advise the holders of the Bonds on the Proposal. The new terms and conditions which will be applicable to the Bonds if the Proposal is uniplemented are set out to a document the "Circular") which is now available for collection by Bondholders from the paying agents and the Trustee for the Bonds, the document contains, inter alia, a letter from Schroders & Chartered Limited setting out details of the Proposal and its effects. Bondholders who obtain copies of this document will also receive copies of the Scheme Document containing details of the proposals for the reorganisation of World International (Holdings) Limited and its subsidiaries and the Introduction Document relating to the proposal introduction of the issued share capital of Eastern Asia Navigation Company Limited on the Hong Kong Stock Exchange Limited.

If the Proposal becomes effective the terms and conditions set out in the Circular will

If the Proposal becomes effective the terms and conditions set out in the Circular will replace those set out on the reverse of the Bonds. It is not proposed to call in the existing Bonds, which will remain valid, but Bondholders will have the right to exchange existing Bonds, which will remain valid, but Bondholders will have the right to exchange existing Bonds for new Bonds, from the date one month after the date on which the Proposal becomes effective, free of charge on surrender of the existing Bonds at the offices of The Chase Manhattan Bank, N.A. at Woolgate House, Coleman Street, London ECZP 2HD or Krediethank S.A. I usembourgeone at 43 Boulevard Royal, Luxembourg. New Bonds will only have affached to them coupons corresponding to those attached to the relative Bonds being surrendered. With effect from the date (the "Replacement Date") one month after the date on which new Bonds become available for exchange at the said office of Krediethank S.A. Luxembourgeoise, new Bonds will be required for delivery in completion of transactions on the Luxembourg Stock Exchange, where the Bonds are listed. Accordingly, Bondholders wishing to sell Bonds on that Exchange after the Replacement Date should obtain new Bonds prior to the sale. Replacement Date should obtain new Bonds prior to the sale.

Bondholders are urged to obtain copies of the Circular referred to above and the accompanying documents and to consider, when making their decision, the financial and other effects of the proposal as set out in the Circular. 31st August, 1984

Company Notice

NOTICE TO HOLDERS OF NOTES OF THE ISSUE 8'4", 1977'1997 OF U \$ \$100,000,000 MADE BY THE EUROPEAN COAL AND STEEL COMMUNITY

The Commission of the European Communities announces that the annual instalment of Notes amounting to U.S.\$3.500,000 has been surchased for redemption on October 1, 1984.

Art Galleries

ELMYR DE HORY THE MASTER FORGER OF THE TWENTIETH CENTURY YFL: 01-485 4828

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The

Tokyo Met 12% 94 _______ 50 95% 95% 0 0 13.82
World Brak 11% 89 ______ 200 95% 95% 95% 0 12.72
Yesteb ISBN 12% 89 _____ 100 95% 95% 0 +8% 13.54
Average prior charge 00 day 0 on week +0% Average price change to day + 04e an week + 107a

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Canada 54e 92 200 | 11001/16144 - 95/2 + 34/2 8.03

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Angon 8 va 88 F.	100	
Bestree Foods 8 va 89 F.	100	
Bestree Foods 8 va 89 F.	100	
Bar-ich 8 va 98 F.	100	
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Rank Xarter Fin 8 va 89 F.	150	
Rank Xarter Fin 8 va 89 F.	150	
Charbonages 17 va 95 F.	400	
Charbonages 17 va 95 F.	400	
Charbonages 17 va 95 F.	50	
Bernark 10 va 94 F.	40	
Carl Europe 11 va 92 F.	50	
Bell 11 va 95 F.	50	
Bell 11 va 95 F.	50	
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Rever Zanland 10 va 88 F.	50	
Rever Zanland 10 va 88 F.	50	
Rever Truston 12 va 98 F.	30	
SROF 11 va 94 F.	50	
Both Africa 89 F.	100	
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Beac Rar Agri 5½ 61 ...
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B.N.P. 5½ 96 (Jahr) ...
Creft Lycomis 5½ 98 ...
Barkini Kangye 5½ 98 ...
Bradner Fin 5½ 89 ...
E.D.F. 5½ 98 ... Coto Com Cytl 15/5 10.81 16.51 11/18 11.19 11.23 19/2 12% 12.56 27/18 11.19 11.17 10/8 11% 11.76 2/9 10.56 10.97 1/8 11% 11.96 21/1 12.94 12.92

| Convergence | † Only one tearhet maker supplied a price. -

Floreing flate Nature: Demonstrated in dollars uniters subsraces indicated. Con-you shown is minimum. C. date — Outo neur couples becomes effectors. Spherid — Margin above six-month offered test 47% there around, 5 shows mean rate). for U.S. dollars. Cape. — currient ranges. Co. yild — current yield.

Connertible beach: Demonicated in dollars unless triesware articipal. Chy. day.

— Change on day. Cov. date — First data for conversion into phases (Zev. price — Nominal amount of bord per share sequented of start at conversion and fine tissue. Price — Proceeding minimum of the current affective price of acquiring shares we the head over the most recent price of the

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United Technologies taps Euro £ market

BY MAGGIE URRY IN LONDON

bond markets this week. Arear a Swiss franc private placement on Swiss.

Other new issue managers are

U.S. corporate borrower to use the new Treasury regulations. The Eu-G. Warburg, was of a five-year bond with a 11% per cent coupon. It was an instant success - showing how much that sector has longed for a by professionals and some retail in-

UNITED TECHNOLOGIES, the good U.S. name - and traded U.S. electronics, aircraft equipment around a % point discount to its par and buildings group, has carried out issue price, well inside the 14 per some pioneering work in the Eurobond markets this week. After a ported buying interest from the

Tuesday it yesterday tapped the Eurosterling market for £35m.

Both deals are issued directly new U.S. rules, although they exfrom the U.S., becoming the first pect to see some deals in the dollar sector soon. A remnant of uncertainty surrounds the question of rosterling issue, lead managed by S. borrowers giving an indemnity for "back-up" withholding tax.

The Eurodollar market was quiet yesterday, although short covering

WEEKLY U.S. BOND YIELDS (%) 1984 12.19 13.19 13.18 14.23 Intermediat Short-term

launched late on Wednesday, been set at 3% per cent, compared traded at 101. The seven-year bond has an 8 per cent coupon, and war
The D-Mark sector is benefiting

Nomura International increased changed.

terest pushed prices up by 1/4 point its convertible bond for the Japan places.

nese security company Secom from
The \$25m Swissair warrants deal, \$70m to \$80m and the coupon has

rants with a five-year life to buy from a post-holiday increase in shares at the market price. This nopremium formula and the high in business described by dealers as quality name was considered at "active." The Swiss franc market is still quiet and bond prices were un-

Denmark plans another big loan prepayment

BY HILARY BARNES IN COPENHAGEN

THE DANISH Government an nounced yesterday that it plans to make another major loan prepayment, part of which will be refinanced by borrowing at more advantageous rates of interest.

The loan to be prepaid, on October 2, is a seven-year, \$650m syndicated loan arranged in 1982 by Citicorp. The margin on this loan is 0.15 per cent above the U.S. prime rate for the first four years of the

Aproximately half the amount can be repaid from existing funds, but over the next few months the Danes plan to raise \$300m to \$400m to help cover the rest.

99,777 1984 High

سرر

Office, is considering loans in D-Marks and Swiss francs. The Danes have already prepaid

On Tuesday, Denmark launched

a \$100m, seven-year Eurobond is-

sue as part of this refinancing pro-gramme and, according to Mr Nils Erik Sorensen, of the National Debt

OVER-THE-COUNTER

rom Page 22 | RnAuto Relatio R Continued from Page 22 323673679 475 5 5 3 3 4 4 2 3 5 2 2 4 4 1 3 6 12 5 4424307 8 1142453533344423032244113142

\$1.6bn this year. Wider Wetra Wicar Wideom William William 20 465 2 41 30 119 .40 .88 .

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Contracts & Tenders Companhia Vale do Rio Doce

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CVRD received a loan from the International Bank For Reconstruction and Development (World Bank) towards the cost of Carajas Iron Ore Project and intends to apply the proceeds of this loan to eligible payments under the Contract for which this Invitation to

Participation in this Bid is limited to Suppliers established in all member countries of the Participation in this Bid is limited to Suppliers established in all member countries of the World Bank, as well as in Taiwan and Switzerland.

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Brasil Telex (021) 23205, (021) 21975. Sealed Bids will be received at the above mentioned address until October 17 1984 at 2.00 pm. Rio de Janeiro time.

Each Bid shall be accompanied by a Bid Bond for the amount of US\$ 10,000 (ten thousand dollars) or the equivalent in other currencies.

PURCHASES AND MATERIAL SUPERINTENDENCY

August 31 1984

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520.62 522.87 612.63 440.83 612.83 12.32 (9/1) (9/1) (9/1/84) (8/1/32) 134.83 122.25 (5/1) (15/6) Aug 24 Aug 17 Aug 16 Year Aga (Aggrox) ind Div Yield 4 4.76 4.56 STANDARD AND POORS Since Compilation Aeg 29 Анд 28 Aug 27 **Ащ** 24 Aug 23 High Low 189.75 190,08 167.74 194.84 3.62 190.68 (21/8) (24/7) 169.28 (8/1) 167 09 167.51 Aug 8 Aug 1 Year Ago (Agerga) 3.91 3.92 11.45 4.01 11.52 12.66 14.32 N.Y.S.E ALL COMMON Aug 28 Aug 27 Aug Aug Aug Aug 30 29 28 27 High Low 1.973 804 691 478 1.945 904 578 1.971 529 1.804 438 95.53* 95.65 96.14 95.67 97 71 (6:1) 85 13 (24/7) 463 Aug 28 Aug 28 Амд 27 High Law 7839.8° 2853.91 2863.8 2854.1 2378.7° 2282.31 2378.1 2354.9 2524.4 (12/3) 2585.7 (6/1) MONTREAL Portions 116 92 117 09 117.20 116 46 127 83 (10/1)

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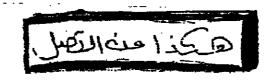
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DENMARK Copenhagen SE (5/1/83)	186,03	187.83	T88,69	188,84	225,51 (20/1)	178,27 (1/8)
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** Seturday August 25. Japan Niktol-Dow 10,563,68. TSE 814.74.

Base values of all indices pro 100 except Australia All Ordinary and Metala500: NYSE All Common—50: Standard and Poors—10: and Toronto Composite
of Metala—1,000. Toronto Indices based 1975 and Montreal Porriotic 4/1/83.

Financials and 20 Transports. c Closed. v Unavailable.





FINALCIAL TIMES SURVEY

Malaysia

The Prime Minister, Dr Mahathir, has stamped his impression firmly on the country, changing traditional attitudes. He has faced awkward challenges however on both the political and economic fronts.

Rich nation on the move aby large, reflecting a workying invisibles gap caused principally by high interest repayments,

CHRIS SHERWELL

living have soared and the infla-

tion rate is under 5 per cent. Unsurprisingly, it is a darling

of the international banking

is Datuk Seri Dr Mahathir Mohammad, a 59-year-old physician, the first Malaysian Prime Minister not to be con-

nected with the royal establish-

Government has done.

Spearheading the leadership

EVEN BY the standards of super-endowed, surge-ahead South-East Asia, few countries are blessed with more good fortune than Malaysia. To many it is an equatorial wonderland. If so, the fairy tale has flaws -some of them worrying because they involve sensitive matters of race and religion. Malaysia's story is also one of progress and achievement.

For a start it is a major world producer of five key

commodities—rubber, palm oil, tin, timber and pepper. More significantly it has recently joined the privileged ranks of oil and gas exporters.

Secondly, its population is literate, enterprising and, for such a vast country, conveniently small at a mere 15m. It is also ethnically rich, with politically dominant Malays, economically powerful Chinese, Indians and Westerners co-operating peacefully in a common effort -- mostly to make

Mans and

CPayment

Finally, the democratic overnment, though flendishly government, though flendishly complex with its nine sultans and 11-party coalitions, is strong, stable and headed by a highly sophisticated and pragmatic civilian leadership which gets on with its neighbours and is ambitious for progress.

Malaysia regularly chalks up annual real growth prices above

annual real growth rates above He has ordered civil servants 6 per cent, and its currency, the to clock in for work, campaigned

has sought to reform people's attitudes through slogans like Look East (meaning learn from the success of Japan and South the success of Japan and South Korea), and Malaysia Inc, which simply exhorts the public and private sectors to co-operate ore closely. His "Buy British Last" policy

between 1981 and 1983 successfully put ties with London on a reformed and healthier foot-ing, a change due to be consecrated in a visit by Mrs Margaret Thatcher next month credibly, the first official visit by a British Prime Minister since independence in 1957. Not everything has gone directly Dr Mahathir's way how-

ever, either on the political or the economic front. There have been awkward challenges and difficult battles demanding tricky compromises and reversals of view. Dr Mahatlir has carried them off in a manner skilled politicisms would appland.
His biggest economic problem

ment or to have been educated in Britain, the old colonial has been the current account of the balance of payments. The Government attempted to spend its way through the 1980-82 power. Since the moment he took over as leader in 1981, he has steadily increased his hold on power and stamped his impression on everything the



Soatk

cyclical strategy and cut public spending. The current account deficit, while narrowing from which will peak in 1987. Foreign borrowing is being reduced.

The cuts have meant a post-ponement of much-varianted plans to shift Malaysia into heavy industry. Projects already committed commectually have gone ahead, including the con-troversial "Made in Malaysia" car, but others have been shelved."

A current economic review is casting the net wider. Malaysia wants to expand the existing manufacturing sector from its narrow base in electronics and textiles to take in resourcebased industries, and to re-generate the non-plentation agricultural sector, which has lost so much of its dynamism that the country cannot feed itself.

Buzzword

The present buzzword is "privatisation," reflecting the realisation that the public sector has grown too large. There is to be a reduced government role in telecommunications, the national significant reflections and national airline, railways and ports, and a much-boosted role

for the private sector.

All this has entailed another crucial change in official think-

due to expire.
The New Economic Policy was

The New Economic Folicy was introduced after Malay-Chinese racial tensions burst to the surface in riots in 1969 after a disappointing Malay showing in elections. A famous diagnosis at the time by Dr Mahathir him-self concluded that the economic gap between the poorer Malays and the richer communities had to be reduced to avoid a repeti-

tion.
It resulted in the present policy, which aims to give bumi-putras (indigenous Malays) a

greater share in the wealth and income of the country.

This "restructuring" has been funded out of economic growth rather than at the direct expense of the local Chinese or funding from the property of the local Chinese or funding from the control of the local Chinese or funding from the local chinese or fundi foreign business communities. From a level of 4.3 per cent in 1970, the bumiputra share of corporate equity—the standard measure of progress—is now forecast at 21.9 per cent for 1985, against a hoped-for 23 per cent. The 1990 target of 30 per

The Government, realising the need for foreign equity investment in the current economic circumstances, has now acknowledged that the policy may have deterred such investment in the past, despite liberal incentives and minimal

foreign exchange restrictions. In May Dr Mahathir announced Government attempted to spend for the private sector.

All this has entalled another could rarely expect to retain more than expected. Exports suffered but imports soared, fuelled by heavy fereign borrowing which is now bringing burdensome debt repayments.

Rather than risk damaging its excellent credit rating, the Government this year execution.

In May Dr Mahathir announced that foreigners, who previously could rarely expect to retain more than 30 per cent stakes in their Malaysian operations, would be allowed to hold a majority stake in certain kinds of venture. Officials say the policy could be modified still further after the current excellent credit rating, the Government this year execution.

BASIC STATISTICS Area: Peninsular Malaysia 132,000 sq km

(rate of growth 2.5 per cent) osition of population:
Malays 48 per cent
Chinese 34 per cent
Indians 9 per cent Other 9 percent Currency (M\$2.33 = US\$1)

Current Account deficit M\$6.7bn to the country's effervescent politics, however. In a Cabinet reshufile last month, Tengku Razaleigh Hamzah, the influential Finance Minister, was demoted. His unexpected replacement was Mr Daim Zainuddin, a businessman and close associate of Dr Mahathir whose appointment probably Current account deficit (1984 forecast) Visible trade surplus (1984 forecast) Real growth in gross don product (1983) 5.8 product (1983) 5.8 per cent (Forecast 1984) 6.7 per cent

Per capita gross national product (1983) 4,343 External debt (1983) US\$13.3bn (30.95bn ringitt) Debt service ratio (1983) Reserves (1983)

Dr Mahathir's great personal and political achievement has been to effect these changes while simultaneously of 1990.

Casting a large shadow over the books of Bank this bright picture are some darker facets of Malaysian gest bank, and last year's unfortunate mishandling of a change in the constitutional powers of the monarchy.

In almost strengthening his grip on power, despite the additional

In almost any other country performances next month beached both these affairs would have because of government under odd a leader's standing. In happiness over a Jewish score country Malaysia, Dr Mahathir has is one example. The Bank wants of flourished—partly because it is Bumiputra scandal is another.

CONTENTS

Banking Stock exchange/ . Commodities exchange

the Malay way to give leaders There is also a w the benefit of the doubt and growth of Islamic which threatens mentalism divisions in the Malay community, a shortage of spirited racial co-operation among the various communities, a less than vibrant press and extremely tough powers of

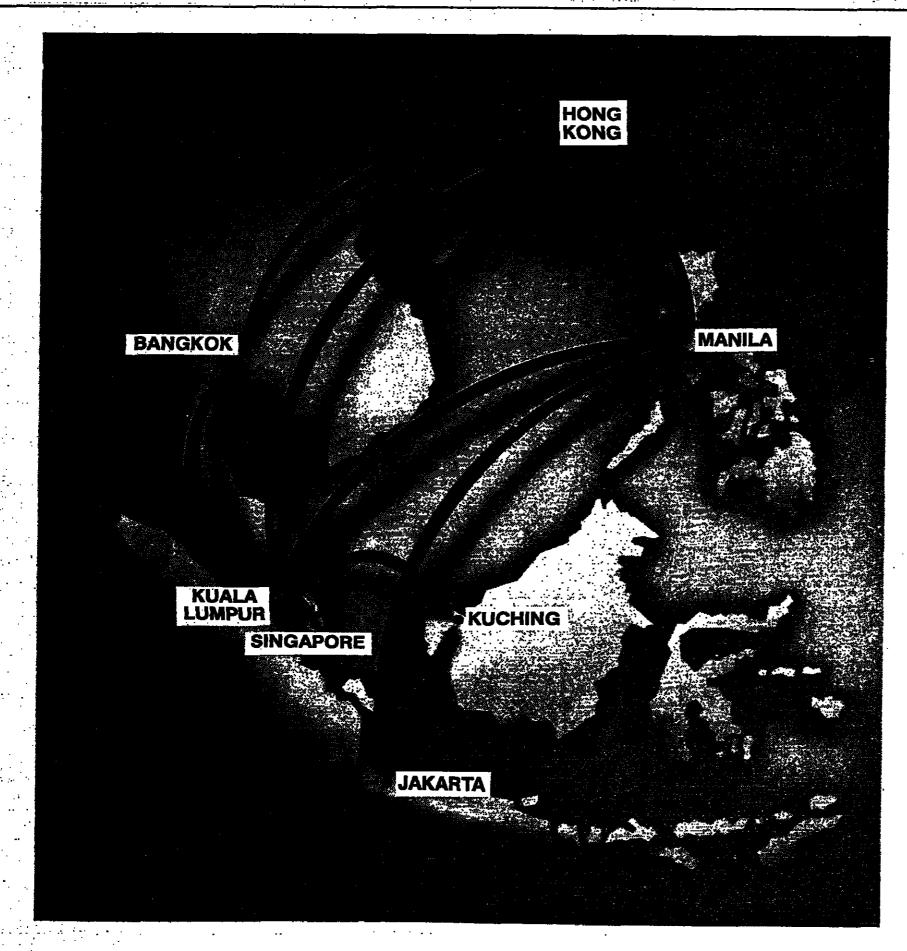
detention. Rapid migration has added the squalor of squatter populations to rural poverty, while disparities in wealth remain large and a growing middle class has soaring expectations. A still-overmanned bureaucracy means irritating inefficiencies. and there is misuse of patron-age and blatant corruption. Dublous dealings abound in the stock market and corporate sector generally.

Dominated

The Government is aware of all this and is not sitting on its hands. It is now dominated by young, highly educated pro-fessionals who have made their own way to the top. Many owe loyalty to Dr Mahathir. Most share his hopes of transforming country into another of i's Little Dragons, like Asia's Little Dragons South Korea or Taiwan

now turning to the next party and general elections due in 1987. Dr Mahathir is widely expected to seek another term in order to see his ambitious Once sleepy Kuala Lumpur, still one of the most attractive policies through the key year capials in the region, has already been transformed into a highways surrounded by industrial estates and leafy suburbs. The country is a myriad of scenic mountains, dense jungles, vast plantations and sandy

Malaysia, in short, is a rich country on the move. It now wants others to sit up and take



The **Sime Darby** Connection

partly because he is seen to be

sincere.

In May, he and his powerful
No 2, Datuk Musa Hitam—
known together as "The Two

Ms" — emerged strengthened from elections to the main

party posts at the congress of the United Malays National Organisation, or Umno. As Umno dominates Malay politics,

and Malay politics is effectively Malaysian politics, the succes-sion appears confirmed.

That hardly means an end the country's effervescent

whose appointment probably surprised Datuk Musa as much

as everyone else.

No one now doubts that Dr

Mahathir has consolidated his position, a view reinforced by his shake-up this year of the army top brass. All eyes are

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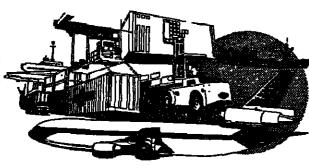
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Umno remains unchallenged driving force

Politics

CHRIS SHERWELL

IT IS sometimes said that the real test of political leadership is an ability to reverse a postion-or to push it to the limit -without losing party or public

support.
If so, Dr Mahathir Mohamad, Malaysia Prime Minister, has faced tests on both economic matters and straight political issues and no only survived but flourished.

His change of course on the economy has probably been the more important in its national and international implications, especially as it entains greater flexibility over the probumiputra New Economic Cornerstone of Malay-

sian politics.

But the more revealing was last year's push by Dr Mahathir for a change in the constitutional powers of the monarchy. No issue in recent years has so convulsed the nation. It took Malaysian politics into uncharted territory and illustrated many of its Byzantine com-plexities.

has ruled Malaysia since

Its partners, mostly repre-senting the country's other racial communities, are of secondary importance, and in Malay. the case of the Malaysian Chinese Association, the main Chinese party, they are racked by division.

This is not to say that opposition parties or pressure groups are of no interest. Aliran, a social reform group, and the Consumers Association of Penang both express national criticism of Govern-ment policies from middle-class

Democratic Party, though predominantly Chinese, dislikes the racial distinctions which are so much a part and parcel of Malaysian

It also underlined an axiom of Malaysian affairs, which is that they are dominated by Malay politics, and specifically worried the Government that the monarch—specially a controversial one who might be elected in 1994—worried the Government that the monarch—specially a controversial one who might be elected in 1994—the attitudes of the United its political meetings in four if he did not follow British and the monarch—specially a controversial one who might be elected in 1994—world the attitudes of the United its political meetings in four if he did not follow British and the monarch—specially a controversial one who might be elected in 1994—world the attitudes of the United its political meetings in four if he did not follow British and the monarch—specially a controversial one who might be elected in 1994—world the attitudes of the United its political meetings in four if he did not follow British and the monarch—specially a controversial one who might be elected in 1994—world the attitudes of the United its political meetings in four if he did not follow British and the monarch—specially a controversial one who might be elected in 1994—world the did not follow British and the monarch—specially a controversial one who might be elected in 1994—world the did not follow British and the monarch—specially a controversial one who might be elected in 1994—world the did not follow British and the monarch—specially a controversial one who might be elected in 1994—world the monarch—specially a controversial one who might be elected in 1994—world the monarch—specially a controversial one who might be elected in 1994—world the monarch—specially a controversial one who might be elected in 1994—world the monarch—specially a controversial one who might be elected in 1994—world the monarch—specially a controversial one who might be elected in 1994—world the monarch—specially a controversial one who might be elected in 1994—world the monarch—specially a controversial one who might be elected in 1994—world the monarch—specially Malays National Organisation, northern states were banned

Moslem political parties in the support, many wonder whether world, is the unchallenged Dr Mahathir's own attempts to driving force of the 11-party ride the pro-Islamic wave. Islamic university and an Islamic Bank — have actually encouraged divisions both within the Malay community and between Malay and non-

Bitter controversy

The bitter controversy over the change in the constitutional powers of the monarchy only surfaced after Dr Mahathir quietly pushed a raft of amendments through Parliament last August. These rendered almost irrelevant the Royal powers of assent and transferred to the Prime Minister alone the allimportant power to declare a state of emergency.

The official reason for the change was that it would "streamline" Malaysia's demothe. Cracy. But Malaysia's denoted the c

traditions of automatic royal

For some reason Dr Mahathir did not wish to wait for the question to be tested. The legislative change went through Parliament conveniently unpublicised not least because discussion of the monarch's position at that time amounted to sedition—the sultans, a focus of Malay and Islamic identity, have long been kept out of

The king however, was pre-vailed upon by his royal counterparts not to sign the Bill into law, and the delay stimulated public controversy. Mahathir, facing mounting criticism of his handling of the issue, began a campaign of public rallies which defied the ban on public discussion of the monarchy and potentially threatened to divide the Malay

Community.
When, after months of bitter debate, a compromise was finally reached in January, it hardly seemed favourable to Dr Mahathir. The monarch retained the power to delay fed-eral legislation and regained the power to declare a state of emergency.

Johannad, Prime Hinister, and his deputy, Datuk Musa Hitam (right).

The May elections gave a clear victory to the "two Ms," Dr Mahathir Mohamad, Prime Minister, and his deputy.

support at critical moments found themselves out of favour. This was most clearly demonstrated in the party elections at Umno's annual congress in

opposed as party head, and This is due in 1997 but is Datak Musa successfully beat expected exclient. off a challenge—the second— This doesn't mean that Melay

on the all-important party

Nothing changed at state further speculation about the level, where all problems had occurred in the post. The whole the party, and current feeling is affair did nothing to influence the outcome of the election of a monarch, since one of the two candidates unexpectedly died.

The whole is the problem of the party, and current feeling is that Dr Mahathir has consolidated his grip on power. Previously, most people believed Dr Mahathir was in effect "hemmed in " by both it a monarch, since one of the two candidates unexpectedly died.

Even so, Dr Mahathir Date and Dr. Mahathir was in effect "hemmed in" by both Datuk Muss and Tengku Razalenghened. The experts say he had established his point by removing the possibility of royal veto for all time.

The cost of the operation we incalculable, however, in 1981.

The cost of the operation was incalculable, however, and to most his apparent success nemains part of the mystery of Malay politics. Even months support, but denoting him to support, but denoting him to the Trade and Industry still being felt as Umno members who had failed to give full Rezaleigh from key Umno poets. At the same time he put into the Finance Ministry and a key Umno position Mr Daim Zainuddin; until then a successful businessman but long a close adviser of Dr Mahathir's. This

g-75.

Umno's annual congress in May. The elections are held every three years, and they effectively determine the increased influence of Datuk mational political succession, so they are watched extremely closely.

The May elections were a clear victory for "The Two Ms"—Or Mahathir and his number two, Datuk Musa, who had sought Rataclear victory for "The Two Ms"—Or Mahathir and his number two, Datuk Musa, who had sought Rataclear victory for "The Two Ms"—of his own supporters into strategic Cabinet and party posts, the overall suppression is that he has buttressed his position and intends to stay on, perhaps seeing through a second ter and Home Affairs Minister, perhaps seeing through a second Dr Mahathir was returned up term after the next election.

off a challenge—the second—

by Tengiu Razaleigh Hamzah, politics will become any less the Finance Minister. The two effervescent. Campaigns for units candidates also won key Umno leadership posts will convice presidential posts and seats time and Dr. Mahathir will attle on the all-important party face challenges and problems but the residue suggest he is Since then a Cabinet reshuifle better poised to handle them ast month has generated than ever before.

Relations change under Mahathir's "Look East" policy

Trade takes a dominant role

Foreign policy

CHRIS SHERWELL

BY ITS very nature Malaysia cannot afford to be anything other than outward looking.

It shares a language with countries far beyond its borders. with Indonesia, Singapore and Brunei, and an official religion which spreads still further to

the whole Islamic world.

Likewise, it cherishes its old
Commonwealth ties, and values
its 17-year-old regional links with the Association of South

Times are none the less change from Brazil. Malaysia seems ing. "We are reorientating our less concerned than before policies," says Deputy Foreign about offering marketable comminister Abdul Kadir. "Trade modities in exchange. is taking a more important role.

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ment is to purchase two Soviet helicopters to help to correct

Officially relations with Moscow are cool. Malaysia has been concerned about alleged spying activities and the sighting of a Soviet helicopter some distance off the east coast of peninsular Malaysia. The helicopter deal is thus seen as a straightforward trade matter rather than as a breakthrough for Moscow

Opportunities for counter-trade are also promoting new contacts, notably with the Eastern bloc countries and winters embraces Malaysia, Indonesia, Singapore, Thalland, the
Philippines and Brunei.
Times are none that

Malaysia is also seeking other We want to be friends with trading opportunities in devel-people who can help us and to oping countries, thereby pro-give something in return." moting "south-south" arrange-Just how important trade fact ments, and most progress has

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tors can be is illustrated by the perhaps exceptional example of Pacific mations.

The "Look East" policy pro-Security factors also weigh heavily in Malaysia's foreign

bought so much from Malaysia, moted by Dr Mahathir Moham-mostly primary commodities, mad the Prime Minister, is that the Kuala Lumpur Govern- another feature of Malaysia's has meant more business with South Korea, including one counter-trade deal for patrol boats, and it has underlined Japan's strong standing in Malaysia

Indeed, Japan's strengthening position over the years appears to parallel Britain's deciming one. Two decades ago Britain took 25 per cent of Malaysia's trade, Japan only 4 per cent. By 1983 the positions were exactly reversed. Moreover, Japan's partnership largely metched Britain's old-one as a bulk purchaser of primary com-

manufactured goods.

The trend reflects Britain's. own withdrawal from empire and reorientation to Europe and Japan's economic might in the region—a result of both its proximity and its competitive-ness. But unlike Japan, whose leaders visit the region regu-larly, Britain tended to take its Malaysian ties for granted; and eventually this led to an appat-ling deterioration in relations

One cause was a sudden rise in tuition fees for oversess students in Britain, which affected thousands of Malaysians studying there. The more important reason was Malay-sia's takeover of plantation companies like Guthrie and

Harrison and Crosfield. Malaysians were upset by un-warranted and insensitive British criticism of the moves and especially by a change in London Stock Exchange rules, which they wrongly thought was aimed at them.

was armed at them,
Between October 1981 and
April 1983 Malaysia operated a
"Buy British Last" policy over
its official contracts, Though
trade figures suggest the policy
made only some difference, relations reached a depressing nadir and it took considerable diplomatic effort — and a boost1d scholarship fund for sindents—to end the misunder-

That finally came with Dr Mahather's visit to London in March last year. Mrs Thatcher, the UK Prime Minister, is due to return the compliment in the middle of next month with a precedent-setting official visit.

Healthier footing

A high-powered Malaysia-British Association, with a counterpart in London, is to be launched at a big banquet in Kuala Lumpur attended by dignaturies from both sides, Rela-tions, which are again warm, should then be on a healthier

That does not mean a return to the old, favoured standing. Sentimental links with the UK undoubtedly remain strong for many Malaysians, but the UK will have to compete with the rest of the world for an attractive market while facing demands from Kuala Lampur for better treatment in many

not only wants more air services to Tokyo but also sees cause to pointer Japan's domin-ance of Malaysian trade, despite the Look East policy.

policy and several recent devel opments point to significant changes. The most important came in June 1983, when Melay sla put troops on the tiny Layang Layang atoll in the middle of the South China Sea. The atoli lies only 60 km (37 miles) from Amboyna Cay, which Vietnamese Communist troops occupied more than five years ago.

Both places are part of the disputed Sprafly Islands, which are important not only because

of their vital strategic location across major sea routes but also because of their potential re-serves of oil and gas, Malaysia's assertion of sovereignty was thus directed more at Vietnam's seabed claims than at its poli-tical colour.

a key factor in Malaysia's foreign and defence policy. Immediately after the Viet namese invasion of Kampuches and the ousting of the Pol Pot regime in 1979, Malaysia began a massive defence procure and expansion plan, helped by a boom in public revenues.

Severe cutback

Tough constraints have since forced a severe cutback in both those plans and operational expendi-tures, but Vietnam has begun to look less of a direct military threat because it has become bogged down in Kampuchea and faces its own economic problems. This is conveniently allowing a fresh assessment.

In the 1960s Malaysia was of its external defence and security, specifically guerrilla insurgency from the Communist Party of Malaya. In the 1970s it became involved with Britain, Singapore, Australia and New Zealand in the Five-Power Defence Arrangement (FPDA). The 1980s may involve a further move into conventional defence. The FPDA, though alive, is

not as well as it could be. Only in recent years have joint exercises been undertaken, and despite significantly warmer relations between Malaysia and Singapore under the Singapore under th Singapore under Dr Mahathir, Singaporean troops have yet to do land exercises in Malaysia. Joint naval and air exercises have gone ahead, but land operations are conducted in

Australia and New Zealand. Malaysia and Singapore have meanwhite voiced concern about a possible decline in the abour a possible decline in the Australian air presence in the region when Camberra modernises the RAAF later in the 1980s. These wordes appear to have been caimed earlier this year, but they are a sign of the general unease still felt on defence matters.

In a potentially significant

In a potentially significant development, defence cooperation between Malaysia and the U.S. is building up, mostly at the level of enchanges are training. The change appears to reflect a rethinking of options by Washington in case agents are the Washington in case agents. by Washington in case events go awry in the Philippines, where the U.S. has major air and

month, for example, Malaysia's demand for an additional flight to London for its which no Malaysia most important long more general worry about the country's least least deficit which with Britain is particularly high.

Malaysia's relationship of Malaysia's relationship china hooms as large in Malaysia's relationship contrast is a potential sily.

Malaysia's demand for an additional most important long most important long threat because of its continued backing for the Commanist Party of Malaysia in Malaysia's vietnam, which by contrast is a potential sily. Dr Mahathir has meanwhile

Meanwhile, Dr Mahathir himself has emerged as Malaysia's most effective and tireless promoter. In the past 18 months he has visited fictain, France to the U.S. Cavedo the Look East policy.

In particular, Malaysia would like to salk a greater variety of products to Japan and see even more direct investment from Tokyo.

Look East policy.

Switzerland, the U.S. Canada, Japan, South Rorea, Pakistan, Australia and New Zeeland. He has not missed a chance to set more direct investment from Malaysia as a place to invest in or simply to visit or simply to visit.

Buy from SABAH through 'SAMA

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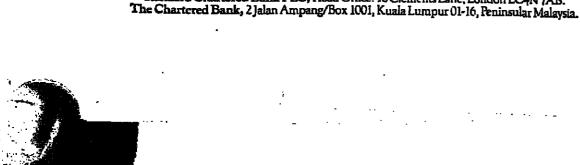
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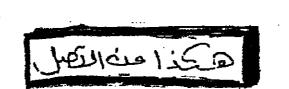
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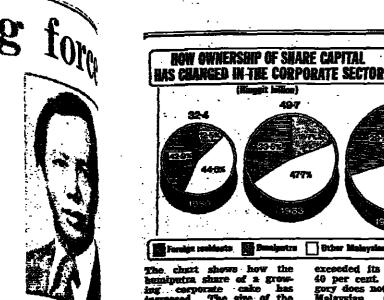
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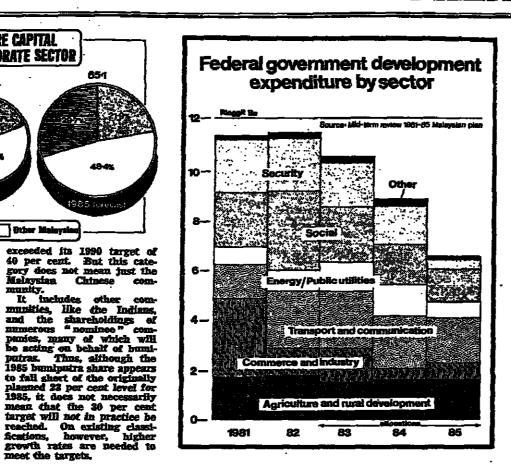
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CASE OF SMR STARS

Foreign politicato 🔯 Dunipatro 🔲 Other Maleysia eded its 1990 target of hemiputra share of a grow-ing corporate cake has increased. The size of the cake is projected to double 40 per cent. But this cate-gory does not mean just the Malaysian Chinese com-1970, when the New Econo-mic Policy begin, the bumi-pairs share was only 4.3 per cent. The target far 1990, when the policy expires, is 39 munities, like the Indians, and the shareholdings of numerous "nominee" companies, many of which will be acting on behalf of bumiwhen the policy expires, is 39 per cent.
The figures need some qualification. First, much depends on the valuations pursas. Thus, although the 1985 bumiputra share appears to fall short of the originally planned 23 per cent level for 1985, it does not necessarily





BALAN	CE OF PA	YMENTS		PEBLIC SECTOR SPENDIN	ie .
	(Ringgit cmp		1983	ringgit (bn) 1983	1983
Exports	26,964	27,967	32,163	Current spending 27.07 Current revenues 31.39	29.24 35.44
Imports	26,933	29,166	30,532	Current balance +4.32	+6.20
Trade balance	-29	-1,199	+1,631	Development	
Services balance	5,299	-6,021	8,295	spending 15.63 Overall deficit -11.31	14.51 -8.31
Net transfers	78	78	50	Source: Bank Negara rep	
Current account balance	-5,406	-7,298	-6,714	Figures are for federal	gurera.
Overail balance	1,093	-614	55	ment, 13 state governme	ents, 14
	Source	: Back Negata Top	ort. 1983	public authorities as "off-budget agencies."	nd 13

Parliament Buildings in Kuala Lumpur. Next month's 29.24 urrent spending 27.07 budget proposals are urrent balance +4.32 +6.20 likely to spell out 14.51 further measures verall deficit -11.31 -8.31 to cut foreign borrowing Source: Bank Negara report, 1963 igures are for federal govern-

Why development expenditure had to be trimmed

Economy

depends on the vanisations themselves. In 1980, the size of the cake was put at 26.5hm ringget. The 32.4hm figure above is a 1983 revision. Second, it is apparent that the share for "Other Malaysian." has already

CHRE SHEWELL

ONLY ONE issue dominates unita unit issue dominates assessments of Melaysia's immediate economic prospects; the persistent current account deficit on the balance of

It has forced Dr Mahathir Mohamad, the Prime Minister, to reverse the Government's economic policies and to review its whole long-term strategy.

Malaysia sought to escape the impact of the world reces-sion that followed the 1979 oil shock through a Keynesian counter-cyclical public spend-ing programme. The Govern-ment reasoned that money which couldn't be stumped up locally could be raised on the finest possible terms.

But the recession went on far Mohamad, the Prime Minister, to reverse the Government's conomic policies and to review its whole long-term strategy.

That is because Malaysia, as a major world producer of five key commodities, an oil and gas key commodities, an oil and gas exporter and budding manufacturer, is critically dependent on world markets. Quite simply, its natural economic assets can occasionally be a serious weakness.

Even so, Malaysia's real

But the recession went on far longer than expected, and Malaysian public finances couldn't stand the pace. Programmes were so ambitious and foreign borrowing rose so fast that the Government's budget and the balance of payments threatened to get out of control, jeopardising the country's excellent credit standing internationally.

Dr Mahathir, having arrived in power in 1981, called an elec-

Crucially, the merchandise trade balance went into serious deficit for the first time ever— 1.2bn ringgit in 1982. In the same year the current account deficit hit a record 7.3bn ringgit. equivalent to 12.4 per cent of gross national product and 35 per cent higher than in 1981. For the second year running, Malaysia recorded an overall deficit on the balance of pay-

net result of a huge 15.6bn cent of GNP), is confidently ex-ringgit in development spend-ing and a 4.3bn ringgit surplus ringgit this year.

According to the mid-term penditure.

debt from 15.4bn ringgit to 24.8bn ringgit in a year.

According to the mid-term review of the Fourth Plan, the Sustaining the trend was a brunt of the cuts in Federal leap in foreign borrowing Government development which took Malaysia's external spending are to be borne, this year and next, by the defence sector.

While this year's forecast is for 6.7 per cent, the blitter experiences of the recent past the 1881-85 Fourth Malaysia suggest that Malaysia may have to solerate slightly reduced growth rutes in finance.

Malaysia sought to escape the impact of the world recession that followed the 1979 oil shock through a Keynesian constraint world.

The first quarter why Malaysia may yet have to fore for the mid-term review of the Heavy Industries Corporation (Hicom), Fetronas (the bring tion (Hicom), Fetronas (the bring tion (Hicom), Fetronas (the bring tion (Hicom), Fetronas (the cuts in Federal Government projects, is expected to be trimmed still further this year with better control of the officity of the sections of the section of the world recession that followed the 1979 oil shock through a Keynesian contractive well up on last year's average to tus in Federal Government projects, is expected to be trimmed still further this year with better control of the officity of the actions it has taken to be made and the annual report of Bank Negara, the central bank (also out in March).

Malaysia sought to escape the inspect of the world recession that followed the 1979 oil shock through a Keynesian contractive well and the annual report of the section of the officity of the secti well have to be recouped through increased contributions

by employers and employees to the national provident fund, which would shift the burden on to those who earn the least.

Improvements

On the external front the

to soar back to a surplus of up to 4bn ringgit in 1984. On the market this year. It has invisibles, however, the deficit is now forecast at a record 9.5bn ringgit, more than 2bn ringgit higher than was projected even as late as last Ortober's budget.

In the second politics and to review this whole long-term strategy.

That is because Malaysia, as are former world producer of first the politic and gas expressionally be a continuous and convenience of the second producer of first the delance of payments the following manner were an abstract the part of the second payments the following manner were an abstract the producer of first the following manner were an abstract the producer of first the grounding manner for the producer of first the following manner for the producer of first the following manner were an additional manner of the producer of first the foreign borrowing rose so fast the development special the first the foreign borrowing for the stand the producer of first the following manner were an additional transfer. The first the following the first the foreign borrowing for the first the following th

of 380,000 b/d.

Malaysia is not a member of Opec, and has no ceilings to observe. Moreover its first liquid natural gas exports began last year and are expected to rise from 1.7m tonnes to 3m tonnes this year.

Malaysia's visible trade balance is therefore expected to soar back to a surplus of up to 4bn ringgit in 1984. On the market this year, It has

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Plans for heavy industry under major review

Industry

CHRIS SHERWELL

KUALA LUMPUR

In fact, whatever your requirements, you'll

have the backing of one of the world's largest

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YEAR AGO a 2,000-acre plantation area half an hour's drive from Kuala Lumpur was being cleared and levelled in a round-the-clock operation. Today it shows the steel and

girder framework of a major factory which in the focus of Dr Mahathir Mohomad's attempts to introduce heavy industry to Malaysia.

Malaysia.

The area is the site for the country's first "Made in Malaysia" car, to be called the Proton Saga, and the first is due to roll off the assembly line next July. The project is one of several in a controversial heavy industry programme which the Covernment has been which the Government has been forced to review because of balance of payments problems.

The government has also begun a major re-think of its considerable achievements in manufacturing generally, which is still reckoned to be too narrowly based; and it is clear that significant changes are

Pet project

The car, something of a pet project of Dr Mahathir, is one of the heavy industry projects which has been allowed to go ahead. Others include a vast cement plant on the island of Langkawi, a sponge iron plant in Trengganu and, in the East Malaysian state of Sabah, a second sponge iron plant, a methanoi plant—both based on natural gas—and a paper and pulp mill

Other plans are still being studied or have been shelved. They include a second paper and pulp mill, an engineering complex, a steel pipe plant and cold rolling mill, a refinery and a petrochemical plant. Some of these, the refinery in Malacca, for example, will probably never see the light of day. Some could be revived, but no one

the decision to defer these projects was necessary if the deterioration in the country's public finances was to be con-tained. Total costs are already running into billions of dollars and job opportunities are likely

Malaysia had to widen and strengthen the foundation of its manufacturing sector, as Japan, South Korea and Taiwan had

This meant producing indus-trial raw materials and capital goods so as to reduce dependence on foreign sources, transfer technology to Malaysia, develop engineering skills and generate opportunities to build ancillary industries. In fact, had all the projects gone ahead, Hicom would not have had the people to carry them out,

The national car project is a joint venture between Hicom, Mitsubishi Motors Corporation and Mitsubishi Corporation of Japan. It is expected to stimu-late Malaysia's metal, rubber, plastics and electrical industries, which would supply parts and components and so acceler-ate general industrial develop-

Initial production of 19,000 units will be expected to rise to 120,000 by 1990. At first only about 40 per cent of the car will be made locally, compared with 13 per cent for locally-assembled cars. Protection will be neces-to ensure success. This too has provoked criticism, but the local content is expected to rise steadily.

Moreover, foreign component makers, notably from Europe, have been showing interest in the project, and there is hope that they will be attracted to invest in Malaysia to supply parts for the car.

parts for the car.

Of greater interest to foreign investors, however, will be the current review of economic policies by the Government, which among other things will examine the achievements and prospects of the whole manufacturing sector. facturing sector.

Malaysia's manufacturing growth has undoubtedly been rapid. The sector's contribution of 7 per cent to gross domestic product in 1958 rose to 18 per cent last year. In 1971-78 it was the fastest growing sector, with an average growth rate of 12 per cent a year.

Like other countries in the region, Malaysia has successfully sought to provide attrac-tive investment incentives, pro-tective tariffs, cheap and pro-ductive labour and easy foreign exchange controls in a bid to attract both import-substitution manufacturing of basic con-sumer goods and export-oriented industries which can earn foreign exchange.

to be about 10,000 by 1990.

The strategy has not been formalisation of an existing agency is the Heavy Industries the Consumers Association of on-the-ground arrangement for business in Malaysia which corporation of Malaysia an environment of malaysia oriented pressure group. It has paid up capital of 300m ringitt. The government believed that foreign investment and, in particular to the consumers and the benefit of the consumers are promise.

Although this is a metre from the formalisation of an existing on the first arrangement for business in Malaysia which export-oriented industries, its official announcement representation of sents a breakthrough in official growth and output and swell thinking on the New Economic the Government's coffers.



ticular, the high import content of many manufacturing activities, the outflow of profits and royalties and the effect of transfer pricing by multinational corporations.

Meanwhile, the Government has voiced its belief that the country's manufacturing sector has become too narrowly based in a few industries, particularly electronics, textiles and clothing. In fact the largest number of investment projects approved in Malaysia between 1971 and 1984 has been in food manufactures. facturing, while a substantially large number were for building materials like cement.

Scope

Export - oriented industries like electronics and textiles have therefore simply been the most visible, though it is also clear that the value-added element has not been high in electronics. Perhaps 80 per cent of most individual goods which are exported first transferd first. imported first.

Officials say there is plenty of scope for reducing this and for opportunities for expansion, but much less in the textiles field. They are therefore hoping to attract investors in other areas, specifically resource-based industries.

The surprise here is that this has not been done before, but to encourage it Dr Mahathir himself announced in May that foreign investors in these areas could hold a majority stake.

"It would have been

feated by our own weather," says Datuk Paul Leong, the Primary Industries Minister.

Policy which favours bumi-putres. The change has caused considerable excitement and ought to make it easier to

attract outside investment.
More importantly, it
expected to heraid for important changes. Already-established foreign - controlled companies may find it easier to "restructure" their equity, more flexible arrangements may be possible for companies which produce for the local as well as the export market and a revamped system of investment incentives is expected soon from the Malaysian Industrial Development Authority, which promotes foreign manufacturing investment.

The kind of resources-based industries the Government has in mind includes:

Rubber-based industries.
Hitherto these have been latex-based—rubber gloves, belicons—or focused on tyre production for the domestic market. Malaysia now wants to export not just tyres but other rubber products like hot water bottles, industrial hoses and engine

mountings. Timber-based industries. Malaysia wants to curb the export of sawn logs and plywood in favour of factories producing goods for the lucrative Do-It-Yourself market in Europe and North America and for mass-producing finished and semi-finished furniture goods.

 Paim oil-based industries. Although the country refines most of the crude pake oil at produces, most of it becomes edble oil and, at best, cooking oil or soap. Malaysia wants to manufacture more of the chemicals which are the programment of the chemicals with the programment. cals which are the raw materials for the detergent, shampoo and perfume industries.

The Industrial Development Authority is now working on an Industrial Master Plan which Industrial Master Plan which will incorporate this thinking and is reorienting its missions abroad away from selling Malaysia as an investment location and towards attracting presenced dompanies to set up specific projects on which it has already calculated the potential returns.

"Up to now we've used shot.

"Up to now we've used shot-gues rather than rifles," is how an authority official explains the new strategy. The different approach, together with the changes in incentives under consideration and the new flexibility in the New Economic Policy, certainly hold out great

Mixed prospects as prices dip

Commodities

WONG SULONG

MALAYSIAN COMMODITIES are experiencing mixed prospects for the current year. Pro-duction of oil and gas, the country's biggest exports is up significantly, but prices are

down, Palm oil, cocoa and coconuts are enjoying firm prices, but prices for rubber, and tin are down, while prices for timber are holding steady.

Although Malaysia is a medium-sized country in terms

of geographical area and population, it is a significant producer of primary commodities.

It leads the world in the production and export of natural rubber, palm oil and tin. It is a substantial producer of tropical

hardwoods, cocos, and pepper, and is a medium exporter of oil and gas. Malaysia is therefore well blessed with a wide range of commodities, which forms the lifeblood of its economy, and the springboard for its indus-

trialisation drive. Because of the need to boost drooping government revenue, and to alleviate the heavy balance of payments deficit, Malaysia has to compromise on

its national oil conservation policy, mapped out in 1981. Crude oil production rose 17 per cent in 1982 to 303,000 per cent in 1982 to 303,000 Malaysia has agreed to sell to barrels per cent to 381,000 barrels

By per cent to 381,000 barrels

Sally least years. daily last year. It is estimated to rise by a further 15.5 per cent this year to over 440,000 barrels. Malaysian officials, however, insist that the oil conser-

acandoned.

"If a guy's health is going down, what is the point of storing up the good food in the larder. You have to help him to recover, This is the same to recover. This is the same The bulk of this increase will with our economy and the come from palm oil, which had current party played by our a very good first half year, with oil," says a senior Treasury

At present rates of production, Malaysia's officially Paim oil is expected to bring
acknowledged reserves of 2.5bn in 4.66bn ringgit—up 56 per
barrels would last only 14 years, cent—based on 2.91m nomes at say this figure is definitely on per torme.

Rubber

years ago, but its potential was Asia brought out plentiful kept under wraps until recently, is known to have reserves of supplies, and prices are now just above 200 cents. around ion barrels, making it one of the biggest fields in different picture if not for the mild wintening. We were de-South-East Asia. Malaysia's gas reserves are

even more. At 79 trillion (million million) cubic feet, it is equivalent to 18bn barrels of

The first liquid natural gas exports to Japan began in January last year, and earned close to 10n ringgit for the year at 1.7m tonnes. This year, LNG exports would be around 3m tonnes, half-way to the 6m tonne mark which

Crude oil and LNG exports for this year should bring in 10bn ringgit, or 14 per cent higher than last year.

All-time high

prices touching an all-time high of 3,000 ringgit per dome at

Most foreign oil executives an average price of 1,600 singgit

the conservative side. Some Rubber started the year on even put known reserves as a promising note, with prices high as 4bn barrels.

The Dulang field, off Treng-February. But an extremely ganu State, discovered several mild wintering in South-East

7.8 per cent to 3.40m ringgit. After nearly a century as Malaysia's leading export, rubber has been delegated to fourth position, for the third successive year. This riself is testimony of the broadening of Malaysia's economic base.

Members of the International Natural Rubber Organisation will renegotiate a new agreement next year. Malaysia will lead the producers demand for an upward revision in the price bands,

It feels that the present band of 166 to 246 Malaysian/Singa-pore cents per kilo does not give any real incentive for producers to invest in increasing output, even though inter-national agencies such as the World Bank, have forecast a big rubber shortage for the late 1980s and 1990s.

Recently, an international group of experts, commissioned by the Malaysian Government, submitted a report recommending Malaysia to increase its rubber production by 40 per cent in the year 2000 to meet demand. However, this increase should come from higher pro-ductivity, instead of new acreage.

The report also feels that immigrant labour is not a long-CONTINUED ON

is therefore projected to fall by **NEXT PAGE**

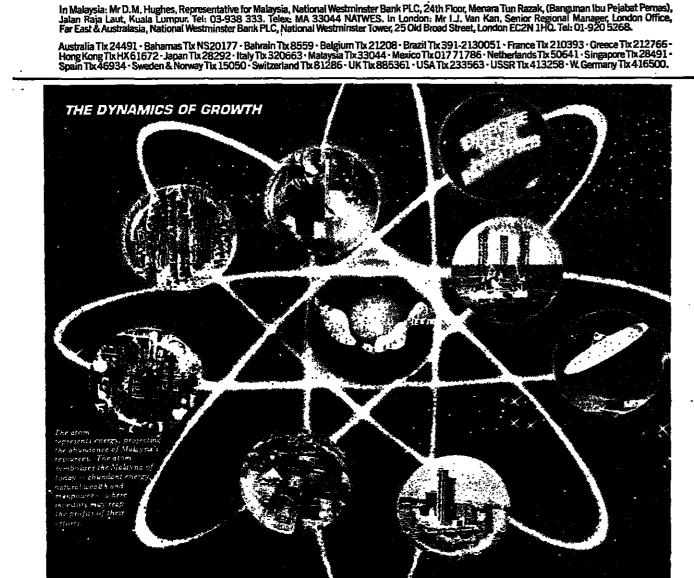
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Acquisitions, mergers and restructuring

Banking

WONG SULONG

BANKS ARE probably the most highly rated corporations in Malaysia, and not surpris-

ingly so.

In the first instance, it is very, very difficult to get a hanking licence these days. with an annual growth rate exceeding 25 per cent in terms of profit appreciation during the past 15 years — a rate that can be expected to be sustained for a few years more — Maleysian banks have been the target of acquisitions, mergers and restructuring

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Taken over

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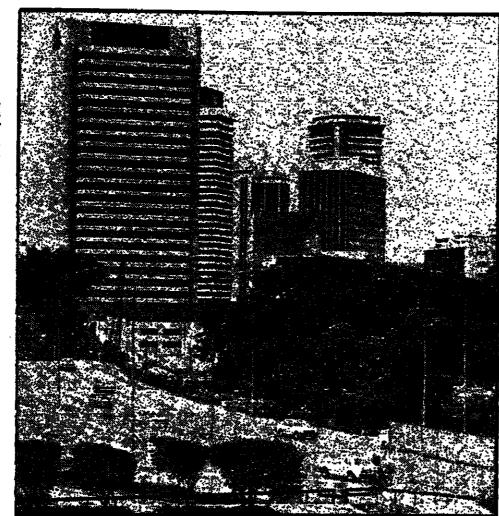
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Language B

bad. Bad, because we had to start building up a professional team and even today, staffing remains the bank's biggest



The financial district of Kuala Lumpur which has shown remarkable growth recently

Paid-up capital was increased from 15m to 50m ringgit, and will soon be raised to 75m

Pre-tax profit ended December 1983 rose 124 per cent to 12.8m ringgit. For the current

bank has built up a kurative we took over, we niche in corporate toans syndi-very toose organisa- cation, something which comcation, something which com-mercial banks have tended to identity," says Mr Khet Kot leave to the merchant banks.
Yin, who was seconded from For 12 months to June, MUI MUI to be one of the bank's Bank syndicated more than executive directors. after Bank Burniputes.

> MUI ranks 13 among the local banks, but the MUI group is

Melayan Banking Corporation, Malaysia's fourth largest bank, Kong loan problems of Bank for 262m ringgit.

Kong loan problems of Bank Bumiputra still dominates dis-

In return, he transferred his 51 per cent stake in the Malaysian French Bank to MPH, and made a cash payment of

132m ringgit.
MPH, the Chinese investment and tortuous search for majority control over a commercial bank,

but at a price.
"Every banker in town agrees that Dain has emerged with a terrific deal.

Problem loans

"The 40.7 per cent stake in UMBC is easily worth 400m ringgit on the open market," says a banker who is familiar with the operations of UMBC. UMBC insiders acknowledge

On the wider scene, the Hong cussions among Malaysia's busi-

It was recently disclosed that Bumiputra Malaysia Finance, Hong Kong subsidiary of Bank Bumi has transferred U.S.\$887m group, has thus fulfilled its long in problem loans to the parent

This has created considerable interest as to how Bank Burni would treat this item in its own accounts. It could write off part or the entire portion of these problem loans, which would mean wiping out its shareholders funds, necessitat-

ing replenishment.
This throws up the interest ing question which government agency would come forward with such massive funds.

Αt

"It was also good because we met with little resistance in making changes." Within four months of taking over, the new team had to meet the central bank's deadline in opening seven new branches.

Totiay, MUI Bank has 20 branches in Malaysia and one in Singapore, compared with 12 before the takeower. Another 11 are due to be opened by next year, and would give the zank a presence in every of the 13 Malaysian states.

banks, but the MUI group is confident its bank will be ank will be ank will be ank will be and with the rest directly held by that in recent years, the bank in recent years, the bank is succeeded in clearing off in the succeeded in clearing off investment agency, holds more during the 1970s, many of which were to relatives of past directors. The bank is expected to make good profits in the coming that in recent years, the bank in succeeded in clearing off investment agency, holds more during the 1970s, many of which were to relatives of past directors. The bank is expected to make good profits in the coming which a bank must declare a loan as "non-performing," and bank must declare between Multi-Purpose Holdings and one the dead, Daim's family operation which is what the companies will buy over a 40.7 per cent stake in United in recent years, the bank is succeeded in clearing off that in recent years, the bank is succeeded in clearing off whether that in recent years, the bank is succeeded in clearing off the bank is on the cards in two to three years.

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Mixed prospects for commodities

CONTINUED FROM

term solution to the labour shortage on the estates, and recommends less labour-intensive tapping methods and higher wages.

in order to meet a situation in which normal supply might be insufficient to meet an unexpected increase in demand, the report suggest a rubber tree "bank" within Malaysia's reafforestation programme.
While neighbouring countries like Indonesia, Thalland, the Philippines, and Victnam, are Philippines, and Vietnam, are trying to increase their rubber and palm oil acreage (Indonesia bas stated it wants to regain its pre-1945 position as the world's biggest rubber exporter). Malaysian planners are thinking in another direction.

After rubber, palm oil and cook, Malaysia is now looking for a fourth export trop. It will have to be less land and labour intensive as both these ingredients are getting scarce and expensive these thays.

Tobacco is out because it is

ministry.
The cultivation of teak is being encouraged by the Government which has set up a teak research forest on Langkawi Island. States like Kedah and Perlis which have a distinct manager, prices have hardly dry season, are asked to grow teak trees in parks and along roads, while villagers are told to plant teak as a long-term investment.

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frowned upon by Dr Mahathir, the prime minister, and anyway, the quality is poor. Coffee and sugar can have proved to be failures in earlier trials.

"This leaves us with tropical orchards, and timber plantations, unless someone can think of something that will catch on" says the primary industries ministry.

Although tin prices may be reaching record levels on the London Metal Exchange, it is entirely due to the weakness of starling. In reality, the tin mining industry is experiencing the most trying times since the 1930s.

Members of the International Tan Council, including Malaysia, had to curb tin exports by

had to curb tin exports by nearly 40 per cent for the past

tough measures taken by Malaysia, Thailand end Indonesia, tin smuggling in contravention of export controls is still rampant, running at about 12,000 tonnes a year. This tim goes to Singapore, a free port, where it is smelted and sold to countries like Spain and the Soviet Union.

• There has also been substanincre has also been sunstaintial increases in output from the non-ITC members. They are the four Ba-Brazil, Bolivia, Burma and Britain. Brazilian production, for example, has risen from 8,000 tomes in 1981 to 15,000 tomes last year, and is expected to increase to 18,000 is expected to increase to 18,000

toones this year.
The continued sale of surplus

The biggest problem, however, is structured Tar producers are witnessing the rapid shrinkage of tin plating their surplus of 70,000 tonnes on the biggest consumer market, as market, and such a bearish mar-consumers in the West switch to aluminium and plastics.

market, and such a bearish mar-ket, no one knows how far the price will fall if ITC buffer-

Despite the improvement in the world economy, tim usage is the lowest in 20 years, and is no higher than consumption in the late 1920s.

Many Malaysian tim com-Despite the improvement in Many Malaysian tin com-panies, particularly those with the attractive status as publicly



Datuk Paul Leong, Primary Industries Minister: he blames mild winter for plentiful supplies of rubber which kept prices down

particularly property develop-ment, Malaysia Mining Cor-poration, the biggest of them all, has moved on to other mineral exploration, engineer-ing and oil services. Some tin producers, frustrated

with the prolonged depressed prices and production restraints, tin from the U.S. general services administration, while
much reduced, is still
psychologically depressive.

The biggest problem, however, is structural Tim pro-

price will fall if ITC buffer-stock support is withdrawn.

Tin Producing Countries. But the Kuala Lumpur-based association cannot start to work listed companies, have diversibecause Bolivia is not prepared fied into other activities, to pay its contributions. Greater professionalism in commodities trading to be encouraged

Ministerial power over KLCE to be strengthened

Stock exchange/ **Commodities** exchange

WONG SULONG

THE four-year-old Kuala Lumpur Commodities Exchange (RLCE) is starting all over again after the disastrous débâcle last March.

The long-awaited report by the task force containing far-reaching recommendations on the future of commodities trad-ing in Malaysia is now with the Government and it is believed that most of the recommendations are being accepted.

They fall into three categories. First, ministerial power over the exchange will be strength-ened to allow the Government to intervene speedily in the event of another crisis.

Second, there is to be greater professionalism on the change, with changes in the composition of the management board, the clearing house, trad-now in the courts and the legal ing firms, and the Commodities battles could take years to Trading Council.

Third, rules governing trading re-re-redefined to minimise disputes and excessive speculation.

Palm oil market

Much has been written about the crisis on the KLCE paim oil market. Basically what hap-pened was a combination of factors. A temporary shortage of edible oils caused by producof edible oils, caused by produc-tion shortfalls in U.S. and Brazilian soya bean and Malaysian palm oil, steadily pushed the crude palm oil price on the KLCE to a high of 1,600 ringgit per tounes last

Speculators then moved in. forcing the price to rocket to an all-time high of 8,000 ringgit per tonne in mid-February. At the same time, another group of speculators, headed by Mr C. G. Loo, the franchise to expel, suspend, fine, or holder of Kentucky Fried discipline its members, and it Chicken in Malaysia and Singawill be the final appellant pore, saw the opportunity to authority in the exchange.

authorities, until it was too

late.
There occurred a series of defaults, followed by recrimina-tions and shattered confidence, and on March 14 palm oil trading had to be halted for nine days.

Since reopening, the exchange has been a pale shadow of its former self. Ten firms involved in the defaults have been suspended. Many others are staying out of the market. It has been more than five months since the débache and trading has average less than 30 tots of 25 tonnes each per day, compared with a robust 776 tots per day last year. On some days there was not a single transaction.

This is not surprising. takes years to build up confidence in a commodity exchange, and only a few days to destroy it. The shattered conto be restored.

The speculators have gone, still licking their wounds. No fewer than half-a-dozen suits for all sorts of damages are now in the courts and the legal

In retrospect, every party involved in the KLCE—the Malaysian authorities, the KLCE and clearing house management boards, the trading firms, paim oil refiners and speculators — were partly responsible for the March crisis, either through acts of commission or omission.

The exchange is clearly too young and inexperienced to handle a full-blown crisis. Last June the KLCE management board was replaced by an entirely new 13-member group, headed by Tan Sri Lee Boon Chim, a highly-respected rubber trader. The task force is recommending that three more members, with no interests in any aspects in

commodity trading, be included to strengthen its independence. The board will be empowered

court action, disputes will first Street to be referred to a panel of mid-July. arbitrators.

To raise the financial stand-To raise the financial standing of KLCE members, the paid-up capital of commodity traders will be raised from 250,000 to 500,000 ringgit. At the same time, the 150,000 ringgit deposit demanded by the clearing house—a very unpopular measure among the traders—has been lifted, and there is to be automatic guarantee on registration.

At this stage the Malaysian authorities can take some consolation that encouraging progress had been made in

progress had been made in rubber futures trading.

Rubber futures

Rubber futures, introduced on the KLCE in September 1982, were transacted throughout the palm oil futures crisis, and its volume has grown steadily from 46 lots per day in January to 82 lots in June. To increase volume, the authorities are considering reducing the lot size from 25 to five tonnes, and intro-ducing SMR 20 as the second hedging grade to complement the RSS grade.

Had things gone on well with the KLCE, the authorities would have introduced a tin futures this year, but this has been postponed indefinitely. In contrast, the Kuala Lumpur Stock Exchange con-tinues to make progress and

is expected to record a satisfactory year, although not as bullish as last year. Malaysian - incorporated companies granted listings last year and a similar number is expected for this year, bringing total listings to just short of 300. As at June, the 274 companies

ation of 72bn ringgit. The year began well, with the KISE industrial index maintaining the momentum of 1983. It reached 680 points in mid-February.

the Thereafter ore, saw the opportunity to authority in the exchange.

A business conduct committee tical in-fighting among the broking services are not available.

The bitter contest between is to be set up to look into Malaysian political parties, the able.

these two groups of speculators urgent matters on trading and went on for nearly a month, disputes. To avoid premature the soft conditions on Wall with little intervention by the court action, disputes will first

Wall Street saw the KLSE industrial index responding sharply to exceed 600 points in early August in active trading, rekindling hopes of better days

ahead.
Volume traded during the first six months totalled 1,023bn units valued at 3.745bn ringgit, compared with 2.275bn units valued at 7.93bn ringgit for the whole of last year.

The securities industry is one of the few areas where Malays are under-represented. The Government is keen to rectify this, since more and more Malay companies, and Government agencies held in trust for the Malays, are expected to obtain market quotations.

Of the 115 members of the KLSE only 31 are Malays, one Indian and the rest Chinese.

Among remisers, less 10 per cent are Malays. The power for the Government to rectify this situation is provided under the Securities industry Act of 1982, amended

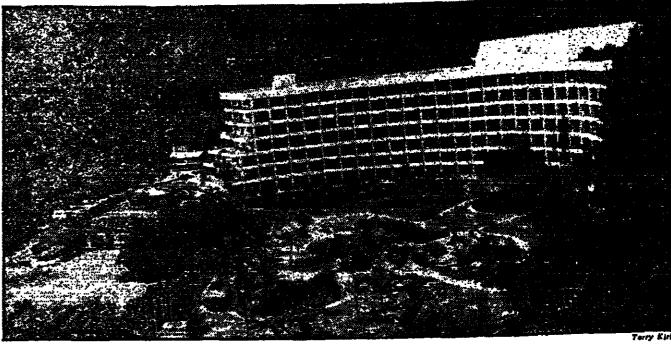
The controversial amendments empower the Finance Minister to direct the exchange to admit "any suitable person to be a stockbroker, a dealer or

It also provided greater Government supervision of the exchange and tough rules to prevent short selling. Establishing a case of short-selling might difficult, however, since many Malaysian counters are also quoted on the Singapore

The amendments caused a lot of apprehension among stockbrokers, but after some initial protests they knew it was futile to fight.

Last May, the Minister in (excluding loan stocks) on the voked his powers to admit a KLSE have a market capitalis- Malay to KLSE membership, other half a dozen Malays are

with existing brokers or index remisers to start new firms in



One of Penang's hotels for holidaymakers. In the tourism sector the infrastructure is now being left to private and the Tourist Development Corporation will concentrate on research, promotion and publicity

New Government sees financial burden as too heavy a load

Privatisation

WONG SULONG

PRIVATISATION IS big news in Malaysia these days as it is in Britain.

The fourth Halaysia plan (1981-85), introduced by Tun Hussein Onn, the former prime minister, is silent on the subject. But the mid-term review of the plan, published last March, extols privatisation as a major economic objective of Dr Mahathir, Tun Hussein's

Dr Mahathir has made it known that nothing is sacred in the privatisation programme, except those services and assets that are of strategic national importance

The authorities are talking of privatising the railways, the ports, Malaysian airline system, the highway system, telecom-munications and other infrastructure services.

In the past two years, dozens of projects have been turned over to the private sector, rang-ing from car parks in the federal capital to multi-million dollar public housing schemes. There are three reasons why the Government is embarking

on privatisation at this juncture. In the past 15 years, there has been increasing public intervention in the economy, leading to the building of a substantial government stake, in areas which previously was the realm of the private sector

initiative.

The authorities see this as inevitable if the Government were to help the Malays achieve economic parity with the other races, particularly the Chinese. Now, however, the burden is too heavy for the Government to shoulder, particularly when government revenues for the

government revenues for the rest of the decade are expected to be tight.

The rapid building up of the government stake in the private sector has also sapped the dynamism of businessmen, and privatisation is seen as an attempt to revive private enter-

Finally, there is now an expanding Malay entrepre-nuerial and professional class, which would benefit from privatisation, and in doing so, help to meet the new economic policy target of 30 per cent Malay ownership of the Malay-sian corporate sector by 1990. (Malay ownership is now 18 per

Positive reaction Public reaction to privatisation programme has generally been positive, with the exception of some reserva-

tions expressed by the civil service unions. The unions fear that many jobs would be shed when services are privatised. Some attack the programme as enrich-ing the capitalists at the expense of the poorer sections of society which would suffer if certain unprofitable, but essential, ser-

vices are cut. They say that over the years, supporters of the ruling Umno party and businessmen who are friends of powerful politicians have been making a lot of money from their government contacts, and they would be the main beneficiaries or privatisa-

main benenciaries of privatingtions.
So far, the Government has
only embarked on partial and
selected privatisation, as
opposed to complete privatisation, of services and assets.
Two areas, education and
health, which absorbs a fifth of the Government's budget, have been identified as early targets for privatisation. Now that the Malay language

has been accepted by all com-munities as the national language, the Government is relaxing its tight control over education, except at university level: As a result, scores of private schools have sprung up and all are doing well—from the financial point of view. There are 50,000 Malaysian

students overseas and recently Malaysian businessmen are beginning to set up private pre-university colleges in Australia, Canada, and Britain to cater for this demand. Private medicine is also flourishing. Big-time property developers are venturing into this field by building private

Nothing sacred in drive for denationalisation





n, who hopes that the airline will be privatised through a quotation on the stock exchange by 1986.

hospitals. Fees at government-operated hospitals are being progressively raised with the dual aim of reducing subsidised medical care and forcing those who can afford it to seek private

The tourist industry is another area for early privatis-ation. Tengku Razzleigh, the trade and industry minister, said in future that the Tourist Development Corporation would tion and publicity, and leave the infrastructure aspects of tourism to the private sector. For a start, the TDC will

at a loss, to businessmen.

Promet, the property and engineering group, has been given the franchise to develop langkawi Island as an international tourist resort. The cost is estimated at more than Sha Franchise. mated at more than 3bn rimerit.

Kleinwort Benson was involved in the sale of, among others, British Aerospace and Cable and Wireless, and is at isation of British Telecom. Early this year, the tele-communications department

Recently, Kleinwort Benson.

the London merchant bank, in

association with Arab-Malaysian Development Bank and an accounting firm, was commissioned by the Govern-ment to advise on the privatisa-

privatised cable laying by farming out a 2.5bn ringgit job to four Malay companies to lay 1.5m telephone lines.

tion of the telecon

Cable laying

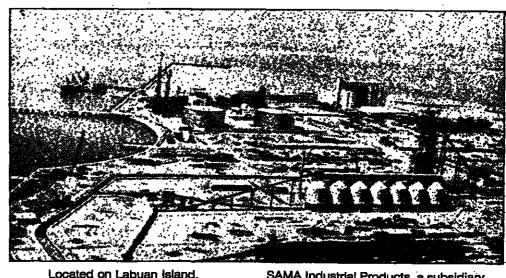
airport.

According to Datuk Aziz Rahman, managing director of Malaysian Airline System, the through a quotation in the stock exchange some time in

At present MAS is owned 90:5:5 by the Federal, Sahah and Sarawak state governments respectively.

British, Japanese and Hong Kong, as well as Malaysian shipping groups, have sub-mitted proposals to the Government offering to take over various aspects of the Port Dr Mahathir is believed to have asked the economic planning unit in his office to prepare a comprehensive pro-gramme for privatisation of the port before the various foreign proposals are considered

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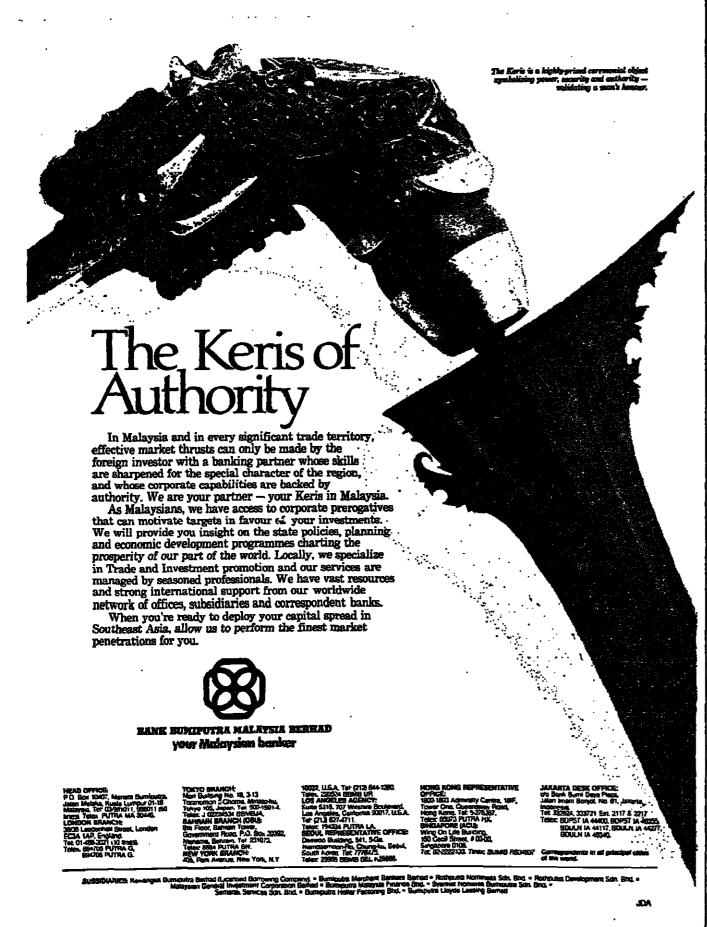
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Acquisitions, mergers and restructuring

Banking

WONG SULONG

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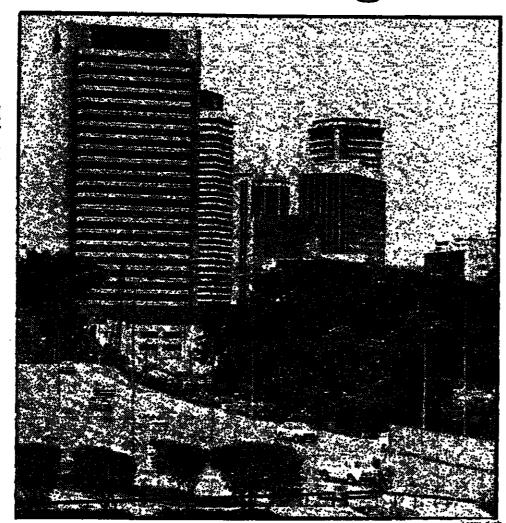
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Language B

bad. Bad, because we had to start building up a professional team and even today, staffing remains the bank's biggest



The financial district of Kuala Lumpur which has shown remarkable growth recently

Paid-up capital was increased from 15m to 50m ringgit, and will soon be raised to 75m

Pre-tax profit ended December 1983 rose 124 per cent to 12.8m ringgit. For the current

bank has built up a kurative we took over, we niche in corporate toans syndi-very toose organisa- cation, something which comcation, something which com-mercial banks have tended to identity," says Mr Khet Kot leave to the merchant banks.
Yin, who was seconded from For 12 months to June, MUI MUI to be one of the bank's Bank syndicated more than executive directors. after Bank Burniputes.

> MUI ranks 13 among the local banks, but the MUI group is

Melayan Banking Corporation, Malaysia's fourth largest bank, Kong loan problems of Bank for 262m ringgit.

Kong loan problems of Bank Bumiputra still dominates dis-

In return, he transferred his 51 per cent stake in the Malaysian French Bank to MPH, and made a cash payment of 132m ringgit.
MPH, the Chinese investment

and tortuous search for majority control over a commercial bank, but at a price.
"Every banker in town agrees

that Dain has emerged with a terrific deal.

Problem loans

"The 40.7 per cent stake in UMBC is easily worth 400m ringgit on the open market," says a banker who is familiar with the operations of UMBC. UMBC insiders acknowledge

On the wider scene, the Hong cussions among Malaysia's busi-

It was recently disclosed that Bumiputra Malaysia Finance, Hong Kong subsidiary of Bank Bumi has transferred U.S.\$887m group, has thus fulfilled its long in problem loans to the parent

This has created considerable interest as to how Bank Burni would treat this item in its own accounts. It could write off part or the entire portion of these problem loans, which would mean wiping out its shareholders funds, necessitat-

ing replenishment.
This throws up the interest ing question which government agency would come forward with such massive funds.

Αt

"It was also good because we met with little resistance in making changes." Within four months of taking over, the new team had to meet the central bank's deadline in opening seven new branches.

Totiay, MUI Bank has 20 branches in Malaysia and one in Singapore, compared with 12 before the takeower. Another 11 are due to be opened by next year, and would give the zank a presence in every of the 13 Malaysian states.

banks, but the MUI group is confident its bank will be ank will be ank will be ank will be and with the rest directly held by that in recent years, the bank in recent years, the bank is succeeded in clearing off in the succeeded in clearing off investment agency, holds more during the 1970s, many of which were to relatives of past directors. The bank is expected to make good profits in the coming that in recent years, the bank in succeeded in clearing off investment agency, holds more during the 1970s, many of which were to relatives of past directors. The bank is expected to make good profits in the coming which a bank must declare a loan as "non-performing," and bank must declare between Multi-Purpose Holdings and one the dead, Daim's family operation which is what the companies will buy over a 40.7 per cent stake in United in recent years, the bank is succeeded in clearing off that in recent years, the bank is succeeded in clearing off whether that in recent years, the bank is succeeded in clearing off the bank is on the cards in two to three years.

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Mixed prospects for commodities

CONTINUED FROM

term solution to the labour shortage on the estates, and recommends less labour-intensive tapping methods and higher wages.

in order to meet a situation in which normal supply might be insufficient to meet an unexpected increase in demand, the report suggest a rubber tree "bank" within Malaysia's reafforestation programme.
While neighbouring countries like Indonesia, Thalland, the Philippines, and Victnam, are Philippines, and Vietnam, are trying to increase their rubber and palm oil acreage (Indonesia bas stated it wants to regain its pre-1945 position as the world's biggest rubber exporter). Malaysian planners are thinking in another direction.

After rubber, palm oil and cook, Malaysia is now looking for a fourth export trop. It will have to be less land and labour intensive as both these ingredients are getting scarce and expensive these thays.

Tobacco is out because it is

frowned upon by Dr Mahathir, the prime minister, and anyway, the quality is poor. Coffee and sugar can have proved to be failures in earlier trials.

"This leaves us with tropical orchards, and timber plantations, unless someone can think of something that will catch on" says the primary industries ministry.

Although tin prices may be reaching record levels on the London Metal Exchange, it is entirely due to the weakness of starling. In reality, the tin mining industry is experiencing the most trying times since the 1930s.

Members of the International Tan Council, including Malaysia, had to curb tin exports by

ministry.
The cultivation of teak is being encouraged by the Government which has set up a teak research forest on Langkawi Island. States like Kedah and Perlis which have a distinct manager, prices have hardly dry season, are asked to grow teak trees in parks and along roads, while villagers are told to plant teak as a long-term investment.

had to curb tin exports by nearly 40 per cent for the past

tough measures taken by Malaysia, Thailand end Indonesia, tin smuggling in contravention of

export controls is still rampant, running at about 12,000 tonnes a year. This tim goes to Singapore, a free port, where it is smelted and sold to countries like Spain and the Soviet Union. • There has also been substanincre has also been sunstaintial increases in output from the non-ITC members. They are the four Ba-Brazil, Bolivia, Burma and Britain. Brazilian production, for example, has risen from 8,000 tomes in 1981 to 15,000 tomes last year, and is expected to increase to 18,000

is expected to increase to 18,000 toones this year.
The continued sale of surplus

The biggest problem, however, is structured Tar producers are witnessing the rapid shrinkage of tin plating their surplus of 70,000 tonnes on the biggest consumer market, as market, and such a bearish mar-consumers in the West switch to aluminium and plastics.

market, and such a bearish mar-ket, no one knows how far the price will fall if ITC buffer-

Despite the improvement in

Many Malaysian tin com-panies, particularly those with the attractive status as publicly listed companies, have diversibecause Bolivia is not prepared fied into other activities, to pay its contributions.



Datuk Paul Leong, Primary Industries Minister: he blames mild winter for plentiful supplies of rubber which kept prices down

particularly property develop-ment, Malaysia Mining Cor-poration, the biggest of them all, has moved on to other mineral exploration, engineer-ing and oil services.

Some tin producers, frustrated with the prolonged depressed prices and production restraints, tin from the U.S. general services administration, while
much reduced, is still
psychologically depressive.

The biggest problem, however, is structural Tim pro-

price will fall if ITC buffer-stock support is withdrawn.

Despite the improvement in the world economy, tim usage is the lowest in 20 years, and is no higher than consumption in the late 1920s.

Many Malaysian tim com-Tin Producing Countries. But the Kuala Lumpur-based association cannot start to work

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